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THURSDAY

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(Reg. U. S. Pat. Office)

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Our Reporter On "Governments"

The $2,000,000,000 May borrowing may come next week, according to dealers. . . . Feeling is Secretary Morgenthau will want to get this record-sized financing out of the way as soon as possible—avoid possible difficulty arising out of bad news from abroad. . . . The $2,000,000,000 June borrowing also is believed slated for early in the month. . . . In short, the Treasury is spending money so fast these days that it can't afford to wait even a week or two longer than necessary for timing purposes. . . .

Despite talk that $4,000,000,000 financing deal includes refunding of the $875,000,000 Home Owners Loan Corporation 2¼s of 1944, callable July 1, and the $276,000,000 of RFC 1% notes, due July 1, informed opinion is these operations will be in addition to the new money requests. . . . Just spend a few minutes on the statistics. . . . And you'll see why Morgenthau needs a minimum of this amount from the open market by July 1. . . .

In fact, if you add income tax returns for June and war bond sales of more than $1,000,000,000 a month and $4,000,000,000 new money borrowing, it still seems indicated that the cash balance on July 1 will be no more than $2,000,000,000. . . . And that's a minimum for comfort in these times. . . . By the time the new fiscal year rolls around, in fact, it may be that the excess of daily expenditures over receipts will be way above $100,000,000. . . . We're increasing our spending—not staying at the same point or falling back. . . .

Terms

You can't get any accurate information on terms yet. . . . At this writing, the financial district is full of rumors, all of which are just that—rumors. . . . Chances are, though, that we'll have a two-way offering—long-terms for insurance companies, short-terms for banks. . . .

An unorthodox financing isn't likely this month. . . . Maybe it will come in June, but again, the odds are we won't have anything out of the ordinary until Morgenthau experiences his first disappointment with financing. . . . Direct sale of part of the $4,000,000,000 to the Federal Reserve Banks is possible, though. . . .

Odds are that the market, which has been dull and uninteresting for weeks, will continue untouched by any except terrific developments until the new issue comes around. . . . Federal Reserve Banks may buy bonds to keep market in shape until issue is sold. . . .

Short-Terms

The banks ask for short terms. . . . The American Bankers Association's Economic Policy Commission asks for issues limited to the 10-year maturity bracket. . . . Officials of the Federal Reserve System—both in lectures and in "approved" articles—suggest restriction of all future offerings of Governments to commercial banks to the short-term classification. . . . The Treasury indicates its awareness of this by selling certificates of indebtedness and remarking that increased liquidity is one object of the flotation. . . . Add the comments. . . . Interpret them. . . . And what have you?

(Continued on page 1700)

OUR REPORTER'S REPORT

What can be accomplished through the medium of cooperation and round-table talks between given groups, becomes evident from the apparent success of discussions that have been taking place between insurance company representatives and investment bankers under the auspices of New York State Superintendent of Insurance Louis H. Pink.

Some months ago, it will be recalled, the bankers and the insurance companies were literally at "swords' points" over the matter of "competitive bidding" for new securities. The bankers contended that the insurance firms were usurping their prerogative in entering bids for new offerings.

For a time the situation was quite strained, particularly when the insurance company bidders snapped up several large offerings. Then the conferences were arranged, and with little or no fanfare — very little has been written about the proceedings—have continued over a period of months.

Presumably these round-table talks have been helpful in working out a formula assuring the institutional investors of a fair proportionate share in new securitiy offerings.

That the program appears to be working out satisfactorily for all concerned seems indicated by the fact that bankers have had the field pretty much to themselves for a considerable period. Insurance company bidding, except in the case of small issues, has been a rare occurrence of late, though occasionally they acquire issues through direct negotiations.

Treasury's Program

Forewarned by the tremendous war task which the Nation has taken upon itself, the Government

(Continued on page 1699)

Lower First Quarter Company Profits Reflects Mounting Burden Of Increased Taxes

First quarter earnings reports issued to date by 150 manufacturing companies show, in a majority of cases, a decline in net income after taxes as compared with the levels of a year ago, according to a tabulation by The National City Bank of New York, made public April 27. The bank notes that this group, representative for the most part of the larger organizations in various branches of manufacturing, and employing an aggregate capital and surplus of approximately $4,250,000,000 at the beginning of this year, had combined net income in the first quarter of $107,000,000 after taxes, which was 16% below the total for the same companies, in the first quarter of 1941, and 29% below that of the fourth quarter. It is likewise pointed out that the decline marks the first important reversal of the generally upward trend of earnings since 1938 which accompanied the rapid expansion of industrial production. The bank further says:

> Volume of sales, when reported, showed gains avergaging 26% over the first quarter last year. The decline in net earnings under these circumstances was caused in large measure by the steep increase in Federal income and excess profits taxes, although other factors noted were the curtailment of peacetime output, the cost of conversion to war production, and the rise in labor, material and other operating costs during the past year.
>
> Tax details available for 77 of the companies which have reported show that the combined net income before taxes increased from $102,000,000 in the first quarter of 1941 to $171,000,000 in the first quarter of 1942, or by $69,000,000. Charges for Federal income and excess profits taxes for the two periods, however, increased from $49,000,000 to $125,000,000 or by $76,000,000. Such taxes absorbed 48% of the net income before taxes in the initial quarter of 1941, but 73% in 1942.
>
> The tax figures given comprise income and excess profits taxes only, and do not include State and local taxes, social security taxes and miscellaneous Federal taxes paid, which are charged in operating expense.
>
> A considerable number of the reports issued contained some explanation as to the basis upon which reserves for first quarter taxes were computed. More than half of these allowed for a "moderate" or "substantial" increase over the 1941 rates for normal tax, surtax and excess profits tax; one-fourth applied the existing 1941 rates; and the remainder used the new high schedule of rates recently proposed by the Treasury.

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Sinsabaugh Becomes Woodruff, Hayes V.-P.

Robert W. Sinsabaugh has become vice-president of Woodruff, Hayes & Company, institutional investment counselors in Chicago. Mr. Sinsabaugh, for the past six years, has been vice-president of the New York investment counsel firm of Clarke, Sinsabaugh & Co., and prior thereto was assistant vice-president of the Central Hanover Bank & Trust Company in New York in charge of the trust investment department.

Mr. Sinsabaugh has lectured at New York University and City College of New York and was a member of the Fifth Fortune Round Table, the National Policy Committee, the American Council of the Institute of Pacific Relations and the American Economic Association.

British Firemen At Denver Bond Club

DENVER, COLO. — Seventy-five members of the Denver Bond Club and their guests attended the Club's luncheon meeting at which D. D. Ivall, District Officer of the London Fire Brigade, and Rudolph Haybrook, Auxiliary Fireman, were speakers.

Mr. Ivall and Mr. Haybrook, with their associate, Mr. Palmer, have been touring the United States, exhibiting the now famous group of Firemen's Paintings created in England during the present war. Mr. Haybrook is an eminent artist and has several paintings in the collection.

Three reels of interesting moving pictures were shown, official Government releases, showing the great London Fire Raids, which are being exhibited in this country to bring to the people of the United States the lessons learned by the British through practical experience in combating air raids.

Trading Markets in

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April 27, 1942

Lohrman Urges Change At Unemployment Bur.

William E. Lohrman, William E. Lohrman Co., 76 Beaver St., New York City, in a letter to The Chronicle recommends certain changes in procedure for registering with the State Unemployment Bureau. Mr. Lohrman says:

"I note that a bill was voted by the Legislature and is awaiting the Governor's signature increasing the benefit period from 13 weeks to 20 weeks and the maximum payments from $15 to $18 a week, and reducing the waiting period from 3 to 2 weeks. FINE. That is what I call consideration of the unfortunates. HOWEVER, have we ever thought of this. It is painful embarrassment for many men and women, to stand in line at the Unemployment Bureau and thus some of them forego the payments. We should be considerate of these people. Many of them have worked at good jobs and are high grade and I can understand their feelings. I have had this situation presented to me oftentimes by those who are entitled to such benefits. One man only today said that he would rather starve than to humiliate himself so publicly. Of course, there are many of us who will disagree with his viewpoint but the fact remains that it is his privilege to feel that way. Therefore, I would suggest that employees who are now still employed write to their New York State Senators and Assemblymen and present this picture and offer a possible cure. My idea of a cure would be that a separate unit be set up by the State for mail requests for the benefits and perhaps on a lesser basis because of the extra detail, OR give the employee the prerogative of having his employer pay the 2.70% premium over to an insurance company fund set up for the purpose of insuring these folks who are so sensitive. Some may laugh at this thought. Perhaps they are the hardened type. But we must think of our fellow man. We are not all constituted alike."

Merger Effective Of Pyne Kendall & Reynolds Fish

The merger of the New York Stock Exchange firms of Pyne, Kendall & Hollister and Reynolds, Fish & Co. to form Pyne, Kendall & Hollister-Reynolds, Fish & Co., a single co-partnership, becomes effective on May 1. Partners in the new organization will be Buell Hollister, Albert W. Bianchi, Ernest L. Jones, members of the New York Stock Exchange, F. Malcolm Minor, George T. Adee, George C. Astarita, Paul W. Havener, Charles H. Mallory, William L. Strong, Jr., New York Exchange member, general partners, Stanley W. Burke, Henry E. Coe, Jr., and Robert E. Strawbridge, Jr., limited partners.

Edgar Kahn In S. F.

(Special to The Financial Chronicle)

SAN FRANCISCO, CALIF.—Edgar M. Kahn is engaging in a general securities business from offices in the Kohl Building. Mr. Kahn was formerly with J. Barth & Co.

Advertising Necessary To Maintain Interest

Because it frequently requires years to procure new customers, although they can be lost overnight, manufacturers in competitive industries owe it to themselves and their stockholders to sustain consumer interest in their products and services through appropriate, informative advertising, Rudolph Guenther, of Albert Frank-Guenther Law, Inc., New York, declared.

Pointing to a few notable campaigns by steel, motor car, aircraft, oil, rubber and other companies as examples of constructive maintenance of consumer interest in their products and services, Mr. Guenther said that many other companies were now in financial position to advertise their performance records as part of the war effort and to pave the way for rebuilding of peacetime markets in the battle of competition that is considered inevitable.

"The reduction in newspaper and magazine advertising linage that has taken place since the war began is a natural consequence of the conversion of industry to war production, problems created by priorities, and anti-inflationary restrictions on spending by the public," said Mr. Guenther. "However, as a natural result of the industrial expansion that has taken place in the last few months many manufacturers will be in a better position to compete for post-war business than they have been heretofore. Their research and intensified production will make many old products obsolete. Many have a story to tell the public they never had before. But of even greater importance than the story they can tell today is the necessity of keeping their customers. This they can do through intelligent advertising which sustains confidence and attracts new friends.

"Buying habits and preferences undergo marked changes in periods such as the present and these will be felt by industry after the war. Customers can disappear overnight in wartime, but they seldom can be secured in such short time.

"Advertising is helping build morale, helping Uncle Sam derive needed revenue for war purposes, making the public conscious of the immensity of our fight for freedom—generally doing a job that can only be done through the medium of the press of the nation and radio which are doing more than their share to help win the war."

To Be Shaskan Partner

George L. Shaskan, member of the New York Stock Exchange, will become a partner in Shaskan & Co., 40 Exchange Place, New York City, Exchange members, as of May 1. E. Felix Shaskan, partner in the firm, will act as alternate for Mr. George Shaskan under Section 15, Article IX of the Exchange's constitution.

Guion, Scholle Partner

John A. Guion will become a partner in Scholle Brothers, 40 Wall Street, New York City, members of the New York Stock Exchange, as of May 1.

Smith & Irle, NYSE Firm, Forming In NY

Willard S. Irle, member of the New York Stock Exchange, will be admitted to partnership in E. Dutilh Smith & Co., 30 Broad Street, New York City, Exchange member firm, on May 1st and the name of the organization will be changed to Smith & Irle. Mr. Irle for many years has been an individual floor broker in New York.

St. Louis War Loan Agency Under Longmire

ST. LOUIS, MO.—John R. Longmire, a partner in I. M. Simon & Co., 315 North Fourth Street, has been appointed director of the war loan agency of the St. Louis Reserve Bank. Mr. Longmire will be on leave of absence from I. M. Simon & Co. while the work with the Reserve Bank continues.

Guy Gadbois Is Now With Pacific Company

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Guy Gadbois is now affiliated with the Pacific Company of California, 623 South Hope Street, members of the Los Angeles Stock Exchange. Mr. Gadbois was formerly vice-president of O'Melveny-Wagenseller & Durst, and prior thereto was with Schwabacher & Co. and Wm. Cavalier & Co.

W. M. Wilson Joins Fewel, Marache & Co.

(Special to The Financial Chronicle)

LONG BEACH, CALIF.—William Melvin Wilson has become associated with Fewel, Marache & Co., 453 South Spring Street, members of the Los Angeles Stock Exchange. Mr. Wilson was previously President of W. Mel Wilson & Co. of Long Beach.

Walter M. Goodnow, formerly associated with Mr. Wilson, is also joining the staff of Fewel, Marache & Co.

Charles Holton Now With Morton Seidel

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Charles L. Holton has become associated with Morton Seidel & Co., Rowan Building. Mr. Holton was manager of the trading department of the local office of E. H. Rollins & Sons, Incorporated.

Offer Retail Appeal

The 6% cumulative preferred voting trust certificates of Houston Oil Co. of Texas and the certificate of deposit 5s of 1973 and 6s of 1949 of Philadelphia & Reading Coal & Iron Co. have particular retail appeal, according to circular issued by Schoonover, de Willers & Co., Inc., 120 Broadway, New York City. Copies of these interesting circulars may be had from Schoonover, de Willers & Co. upon request.

Lester Hansen Now With Merrill Lynch, Pierce Co.

(Special to The Financial Chronicle)

TACOMA, WASH. — Lester Ward Hansen, Will E. Smith, and George Edward Wratten have become associated with Merrill Lynch, Pierce, Fenner & Beane, Washington Building. Mr. Hansen, formerly in charge of the local office of Dean Witter & Co., with which Mr. Smith and Mr. Wratten were also associated, will be local manager for the Merrill Lynch firm.

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Charles Easter Joins Merrill Lynch, Pierce

(Special to The Financial Chronicle)

SEATTLE, WASH.—Charles W. Easter, manager of the trading department of the local office of Dean Witter & Co. for many years, has become associated with Merrill Lynch, Pierce, Fenner & Beane, 1411 Fourth Avenue Building.

Also joining the staff of Merrill Lynch, Pierce, Fenner & Beane are John M. Brazier, Jesse C. Johnson, and James C. Robinson, all formerly with Dean Witter & Co.

Scudder, Stevens Takes Over Clarke, Sinsabaugh

Consolidation of the activities of the investment counsel firms of Scudder, Stevens & Clark, and Clarke, Sinsabaugh & Co., Inc., will become effective on May 1 when the former firm will acquire all of the outstanding capital stock of Clarke, Sinsabaugh & Co. The business of Clarke, Sinsabaugh & Co. will be continued at its present offices at 247 Park Avenue under the name of Scudder, Stevens & Clark, Inc., with E. Thurston Clarke continuing as President.

Two Clarke, Sinsabaugh & Co. officers, Charles M. O'Hearn and Henry G. Davis, will become special partners of Scudder, Stevens & Clark. Other partners are: Theodore T. Scudder, James N. White, F. Vinton Lawrence Jr., Livingston T. Merchant, Hardwick Stires, Donald B. Smith, Robert G. Wiese, Ronald T. Lyman Jr. and Winslow Lewis.

A letter being sent to the clients of both firms states that the consolidation is designed to increase and to improve the investment facilities of both organizations despite probable drafts of manpower either to the armed forces or to administrative duties in Washington.

Scudder, Stevens & Clark was founded in Boston in 1919 as the pioneer investment counsel firm in the United States. The firm later opened offices in New York, Providence and Philadelphia. Scudder, Stevens & Clark maintains associate relationships with the investment counsel firms of Haydock, Lull & Peabody in Cincinnati, and Willis & Christy in Los Angeles. Clarke, Sinsabaugh & Co., Inc., established in 1933, have maintained offices in New York City for their business, which is national in scope.

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J. P. Morgan Co. Joins Fed. Reserve

J. P. Morgan & Co., Incorporated has been admitted to membership in the Federal Reserve System, the New York Federal Reserve Bank announced on April 27. The Morgan bank was the largest non-member bank in the country. Its admission brought to 800 the number of commercial bank members in the New York District.

The admission of the bank involved a subscription of $1,200,000 to Reserve Bank stock, equivalent to 3% of its capital and surplus. Membership in the system carries with it membership in the Federal Deposit Insurance Corporation. The FDIC assessment rate of 1/12 of 1% per year on deposits amounts to about $530,000 in the Morgan case based on deposits of $637,000,000 on March 31 last.

In a letter advising stockholders and customers of the admission, George Whitney, President of J. P. Morgan & Co., Incorporated said:

> We consider it appropriate that we should join the Federal Reserve System because such membership will enable us to broaden our services in both public and private war financing not only to our clients but also to United States Government.

Wells Morris Now With Bogardus, Frost Firm

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Wells Morris has become associated with Bogardus, Frost & Banning, 629 South Spring Street, members of the New York and Los Angeles Stock Exchanges. Mr. Morris was previously vice-president of O'Melveny-Wagenseller & Durst and its predecessor firm; prior thereto he was with Smith, Barney & Co., Edward B. Smith & Co. and was manager of the bond department for Wm. Cavalier & Co.

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Pask Urges Lehman Sign Stk. Transfer Bills

Expressing encouragement that the N. Y. Legislature had passed for the third successive year bills aimed to give relief to the depressed securities markets industry, Marshall W. Pask, Chairman of the Securities, Commodities and Banking Section, of the New York Board of Trade, wrote to Governor Lehman on April 25 urging him to sign the bills this year.

The measures, sponsored by Senator Coudert and Assemblyman Mitchell, eliminate double taxation on odd-lots, and reduce the State stock transfer tax rates and put the rates on an ad valorem basis. Similar bills were vetoed by the Governor last year.

In his letter urging the Governor to sign these bills, Mr. Pask says that the bills alone won't save the industry, but they will mark the first legislative or administrative act within recent years that will give encouragement.

Ass'n Of S. E. Firms Elects New Governors

James F. Burns, Jr., President of the Association of Stock Exchange firms, announced on April 24 the selection of four new Governors to replace members of the Board who have recently resigned. The new Governors, who will hold office until the annual meeting of the Association in November are Sidney J. Adams, of Paul Brown & Co., St. Louis, Mo.; Ranald H. Macdonald, of Dominick & Dominick; Winthrop H. Smith, of Merrill Lynch, Pierce, Fenner & Beane, and George T. Purves, of Graham, Parsons & Co. The announcement also states that Mr. Macdonald, Mr. Smith and Mr. Purves will replace J. Gould Remick, of Evans, Stillman & Co., G. H. Walker, Jr., of G. H. Walker & Co., and Gardner D. Stout, of Dominick & Dominick, who have all entered the armed forces. Mr. Adams will fill the vacancy caused by the resignation of J. Gates Williams, of St. Louis, Mo.

N. Y. Board Of Trade Financial Group Elects

At the annual meeting of the Securities, Commodities, Banking and Allied Industries Section of the New York Board of Trade, Marshall W. Pask of Mackay & Co., was elected Chairman; Emmett Corrigan of Albert Frank-Guenther Law, Inc., Vice-Chairman; Matthew G. Ely of Horace S. Ely & Co., Vice-Chairman; O. R. Kelly of Lawyers Trust Co., Vice-Chairman; and M. D. Griffith, Secretary. Members elected to the executive committee in addition to the above include: Harold L. Bache, J. S. Bache & Co.; Penn Harvey, W. E. Burnet & Co.; J. D. Massoletti, Downtown Restaurateurs Assn.; Oliver J. Troster, Hoit, Rose & Troster; William DeWitt of the Chemical Bank & Trust Co.; and Frederick S. Todman of Frederick S. Todman & Co.

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Special Courses For Women In Wall St.

Wall Street is beginning to feel its first labor shortage since 1929, according to Albert P. Squier, Director, New York Institute of Finance. The combined demand for manpower of the armed forces and high paying defense industries has been draining off the skilled working force of the financial district. When this is considered together with the fact that there has been relatively little "new blood" taken into the securities industry in recent years, the growing concern of employers is readily appreciated.

To a large extent the financial industry has been a man's world, with comparatively few women holding positions of responsibility, Mr. Squier said. Under the impetus of war, however, women are being utilized in many new capacities. Brokerage houses now have girls employed as board markers and quotation clerks, banks are hiring girl pages and throughout the financial district trained women employees are assuming positions of increasing responsibility.

The New York Institute of Finance, originally founded by the New York Stock Exchange as the Stock Exchange Institute, is now preparing to meet the demand for trained women workers in the brokerage and financial field by the organization of a special Women's Division. The early-evening courses to be offered are designed to train present women workers in all fields related to finance for positions of greater responsibility.

Two intensive early evening courses have been scheduled and others will follow. "The Principles of Stock Exchange and Brokerage Office Procedure" will be offered as an intensive four-week course by the Women's Division, beginning on May 11. The course, which will be taught by John H. Schwieger, of the Department of Member Firms of the Stock Exchange, has been designed to acquaint the newcomer to Wall Street with the terminology and procedure encountered in her daily work.

Miss Maude Lennox, Director of Maude Lennox Personnel Agency, will give a free introductory lecture at the Institute, 20 Broad Street, on Wednesday, May 6 at 5:30, on "Personal and Personality Aspects of the Secretary's Position." A four week course, beginning May 12, titled "Advanced Secretarial Training for Stenographers" will be taught by Miss Florrie Barr, Secretary to Lt. William McC. Martin, Jr., former President of the New York Stock Exchange.

Miss Irene Sheehan, statistician with General American Investors, Inc., will be in charge of the general business and finance courses which the Institute will offer especially for women.

Strasburger Goes Bucolic

Leroy A. Strasburger of Leroy A. Strasburger & Co., 1 Wall St., New York City, has purchased the Hillyer MacKensey farm of 130 acres located near Princeton, N. J.

NYSE Members Approve Revising Dues, Fees

The membership of the New York Stock Exchange on April 23 approved the amendment to the Constitution providing for a comprehensive revision of membership dues and other charges payable to the Exchange by members and member firms. The amendment, which had been approved by the Exchange's Board of Governors on April 9, was recommended by President Emil Schram as part of a broad program "to establish the revenues of the Exchange on a sound and equitable basis, by providing for a fairer allocation of charges among members and member firms in relation to the services and benefits received." The purpose of the revision, it is said, is not to produce any net increase in the Exchange's revenues, although it does provide for a new charge based on the commission revenues of members and member firms. However, it is further explained, reductions in other charges will offset the income from this new source.

The changes in the general schedule of charges follows:

1. Membership dues reduced from the annual rate of $1,000 to $750.
2. Reduction in charge for specialist post space to $500 a year.
3. Reduction of $50 a year in present annual charges for specialist clerks' tickets, bond clerks' tickets and special bond clerks' tickets.
4. Registration fee of $150 a year for regular specialist and odd-lot brokers and dealers, and $10 for relief and associate specialists.
5. A transaction charge of not more than 1% assessed on net commissions received and retained by each member and member firm with respect to transactions effected on the floor of the Exchange. When the Exchange's income from this source is over $500,000 in the course of the year the charge would be reduced to ½ of 1% and when it exceeds $750,000 the charge would be eliminated for the remainder of the year.

The Board's approval of these revisions was reported in our issue of April 16, page 1536.

Put-Call Brokers Elect

At the annual meeting of the Put and Call Brokers and Dealers Association, Inc., Sidney D. Harnden was elected President and Max Hesslein, M. Hesslein & Co., Inc., Vice President. Charles S. Godnick, Godnick & Son, and Mr. Harnden were elected to serve on the board of governors for three years.

Brewster With Moseley

(Special to The Financial Chronicle)

BOSTON, MASS. — Gerald W. Brewster has become associated with F. S. Moseley & Co., 50 Congress Street, members of the New York and Boston Stock Exchanges and other leading national Exchanges. Mr. Brewster was in the past affiliated with Jackson & Curtis.

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W. B. Anderson Forms With Walter Seligman

William B. Anderson, member of the New York Stock Exchange, as of May 7th will form the firm of William B. Anderson & Co., with offices at 2 East 55th Street, New York City, in partnership with Walter Seligman. Mr. Anderson has recently been in business as an individual floor broker; prior thereto he was with Carl M. Loeb, Rhoades & Co. and was a partner in Maloney, Anderson & Block. Mr. Seligman at one time was a partner in J. & W. Seligman & Co.

Lavin With Rawson Lizars

(Special to The Financial Chronicle)

CHICAGO, ILL.—John P. Lavin has again become associated with Rawson Lizars & Co., 135 South La Salle Street. Mr. Lavin was formerly with Riter & Co. for a number of years and prior thereto was trading manager for Rawson Lizars & Co. In the past he conducted his own firm in Chicago.

Denver Tram Attractive

The current situation in issues of the Denver Tramway Corporation and subsidiary companies offers attractive possibilities, according to Amos C. Sudler & Co., First National Bank Building, Denver, Colo. An interesting analysis of Denver Tramway may be had upon request from Amos C. Sudler & Co.

Hirsch, Lilienthal Co. Absorbs Orvis Branch

Hirsch, Lilienthal & Co., members of the New York Stock Exchange, have taken over the office of Orvis Brothers & Co. at 11 West Forty-second Street, New York City, consolidating it with their office at 122 East Forty-second Street, which is being closed. The entire Orvis Brothers staff will be retained.

CHGO. N. S. & MILW. R. R. all issues

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Ill. Power & Lt.	**5½s—'57**
Gulf Coast Water	**5s—'48**
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Chicago Municipal Men Elect New Officers

CHICAGO, ILL.—The following new officers have been elected by the members of the Municipal Bond Club of Chicago: George L. Martin, Martin, Burns & Corbett, Inc., President; Russell Vinnedge, Halsey, Stuart & Co., Inc., Secretary; George B. Wendt, The First National Bank of Chicago, Treasurer.

Members of the newly elected board of directors are: William H. Hammond, John Nuveen & Co., the retiring President; O. H. Heighway, Hornblower & Weeks; Elmer G. Hassman, Lazard Freres & Co.; L. M. Rieckhoff, Northern Trust Company; and Milton S. Emerich, Harris Hall & Co.

In Armed Forces

Robert W. Lane, manager of the Newark, N. J. office of Minsch, Monell & Co., Inc., a reserve officer, has left for Army service. Coincident with this, Minsch, Monell & Co., is closing the Newark office.

T. Edward O'Connell, Vice-President of Murphey, Favre & Co., Spokane & Eastern Building, Spokane, Washington, is now serving as a major in the United States Army with headquarters at the Fourth District Air Corps in Denver, Colo.

Benjamin D. Williams, Jr., has retired as a general partner in W. E. Hutton & Co., 14 Wall Street, New York City, to enter the armed forces.

Hardy & Co. Moves

Hardy & Co., members of the New York Stock Exchange, announce that their offices have been removed to 30 Broad Street, New York City.

DETROIT

LISTED AND UNLISTED SECURITIES

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Members of Detroit Stock Exchange
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Members St. Louis Stock Exchange

Betts Renominated By Cgo. S. E. Governors

CHICAGO, ILL.—Arthur M. Betts, senior partner of Alfred L. Baker & Co., was nominated to serve his fifth consecutive term as Chairman of the Board of Governors of The Chicago Stock Exchange, it was announced by Leeds Mitchell, Chairman of the Exchange's 1942 Nominating Committee, which filed its report of nominees for all offices to be filled at the annual election to be held June 1, next.

The following were nominated to serve three years as Governors: Emmet G. Barker, James E. Bennett & Co.; Lyman Barr, Paul H. Davis & Co.; Clarence J. Bridgen, Paine, Webber & Co.; James A. Cathcart, Harris, Upham & Co.; Ralph Chapman, Farwell, Chapman & Co.; Homer P. Hargrave, Merrill Lynch, Pierce, Fenner & Beane; D. Dean McCormick, Kebbon, McCormick & Co., and John E. Wheeler, Hicks & Price.

Charles R. Perrigo, Hornblower & Weeks, was nominated for a one-year term.

Messrs. Barker, Barr, Cathcart and Wheeler are present members of the board.

Messrs. Bridgen, Chapman, Hargrave, McCormick and Perrigo were nominated to succeed Messrs. Frank E. McDonald, Frank E. McDonald & Co.; Michael J. O'Brien, Paine, Webber & Co.; Paul B. Skinner, Hornblower & Weeks; Charles Swift, Swift, Henke & Co., and a vacancy caused by the death of Lawrence Howe, Shearson, Hammill & Co.

Mr. Skinner is retiring from the board after serving as a member for 21 years, during 16 of which he has also served as Chairman of the Finance Committee and eight years as Treasurer.

Mr. O'Brien is retiring after serving as a member of the board for 17 years, three of which he served as President of the Exchange from 1933 to 1936.

Paul H. Davis, Paul H. Davis & Co.; Chancellor Dougall; Norman Freehling, Norman Freehling & Co.; Michael J. O'Brien and Frederick R. Tuerk, Fuller Cruttenden & Co., were chosen as nominees for the 1943 Nominating Committee.

The Nominating Committee which presented today's report consists of: Leeds Mitchell, Shearson, Hammill & Co., Chairman; William T. Bacon, Bacon, Whipple & Co.; John R. Burdick Jr.; Morton D. Cahn, and Joseph A. Rushton, Goodbody & Co.

William Burg Dies

William H. Burg, partner in Smith, Moore & Co., 509 Olive Street, St. Louis, Mo., for more than thirty years and a former president of the St. Louis Stock Exchange, died following an operation. Mr. Burg entered the investment field with A. B. Edwards & Sons, later joining Smith, Moore & Co. He was chairman of the Mississippi Valley Group of the Investment Bankers Association of America in 1932.

Voevodsky In Davis Investment Dept.

CHICAGO, ILL.—Paul H. Davis & Co., 10 South La Salle Street, members of the New York and Chicago Stock Exchanges, announce that George Voevodsky has become associated with them in their Investment Department.

Mr. Voevodsky was born in Russia, but is now a naturalized citizen of the United States. He served his native country during the First World War as a Colonel in the Imperial Guards and began his financial career in Paris after the Russian Revolution.

In 1924 he arrived in the United States coming directly to Chicago being employed by the Harris Trust & Savings Bank as a messenger. In 1929 he became associated with the Chicago Office of Brown Bros. Harriman & Company and remained there for a period of over ten years. In October 1940, he was elected Vice-President and Director of the Chicago investment firm of V. P. Oatis & Company from which organization he recently resigned.

Mr. Voevodsky has been Trustee and Vice-Chairman of the Ravinia Festival Association since its organization six years ago. He is also Trustee and Vice-President of the Library of International Relations and is a member of the Chicago Club and of the Adventurers Club of Chicago.

SEC Broadens Special Offerings For Exchanges

The Securities and Exchange Commission announces that it has taken action to enable national securities exchanges to try out a system of special offerings on a broader basis. The announcement of the Commission stated:

> The existing exemption to Rule X-10B-2, which relates to the solicitation of purchases on an exchange, was confined to listed securities and securities admitted to unlisted trading privileges under Section 12 (f) (2) or (3) of the Securities Exchange Act of 1934. Under the action taken the exemption will also be available to securities admitted to unlisted trading privileges under Section 12 (f) (1) if information is available with respect to such securities approximating that available for listed securities.

The Commission also directed attention to the fact that the exemption for special offerings is an exemption only from the provisions of Rule X-10B-2 and does not in any way operate to exempt any transaction from any other provision of the Securities Exchange Act or the Securities Act of 1933. As an illustration, the Commission referred particularly to Section 5 of the Securities Act and pointed out that the exemption does not relieve any one from the registration requirements.

Robinson In Air Corps.

Arthur R. Robinson, Vice-President of Colyer, Robinson & Co., Inc., 1180 Raymond Blvd., Newark, N. J. has been commissioned a captain in the United States Army Air Corps.

PERSONNEL ITEMS

If you contemplate making additions to your personnel, please send in particulars to the Editor of the Financial Chronicle for publication in this column.

NEW YORK, N. Y. — **Newburger, Loeb & Co.** announce that **George H. Willis** and **Thomas J. Callan**, formerly with Orvis Brothers & Co., are now associated with them in their office at 57 West 57th Street.

(Special to The Financial Chronicle)

BOSTON, MASS. — **Robert E. Anderson Jr.** has become associated with **Goldman, Sachs & Co.**, 75 Federal Street.

(Special to The Financial Chronicle)

CHICAGO, ILL. — **Stewart F. Elliott**, formerly with Paul H. Davis & Co. and Joseph R. Patton & Co., is now with **Jackson & Curtis**, 231 South La Salle St.

(Special to The Financial Chronicle)

CLEVELAND, OHIO — **Albert Fischer** has became affiliated with **Paine, Webber & Co.**, Terminal Tower. Mr. Fischer was recently with Otis & Co., and prior thereto was with J. S. Bache & Co.

(Special to The Financial Chronicle)

COLUMBUS, OHIO — **Lloyd Wayne Sharp** has joined the staff of the **Dayton Bond Corporation**, Third National Bank Building, Dayton, Ohio.

(Special to The Financial Chronicle)

INDIANAPOLIS, IND.—**John J. Wray** has become connected with **Thompson & McKinnon**, 5 East Market Street. Mr. Wray was previously with Shields & Co. and Harris, Upham & Co.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**P. K. Wright** has been added to the staff of **Bankamerica Company**, 650 South Spring Street.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**Howard J. Davison**, previously with Schramm, Eddels & Co., is now with **Crowell, Weedon & Co.**, 650 South Spring Street.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**Clarence J. Flanagan** has become associated with **Hopkins, Hughey & Co.**, 609 South Grand Avenue.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—**Sherwood W. Bump** is now with **Lester & Co.**, 621 South Spring St. Mr. Bump was previously with Merrill Lynch, Pierce, Fenner & Beane, Banks, Huntley & Co., and Nelson Douglass & Co.

(Special to The Financial Chronicle)

OAKLAND, CALIF. — **Van V. Midgley**, previously with Dean Witter & Co. and Wm. Cavalier & Co., is now with **Geo. H. Grant & Co.**, Central Bank Building.

(Special to The Financial Chronicle)

TOPEKA, KANS.—**Donald E. White** has been added to the staff of **Elmore, Heath & Co.**, Central Building.

(Special to The Financial Chronicle)

VANCOUVER, WASH.—**Howard D. Warren** has become connected with **Blyth & Co., Inc.**, 1411 Fourth Avenue, Seattle, Wash. Mr. Warren was formerly for a number of years with Dean Witter & Co.

Triumph Explosive Inc. Issues Semi-Annual Report

The Triumph Explosive Inc., in its semi-annual report for the six months ended Jan. 31, 1942, shows that for the period it enjoyed net sales of $3,971,269, resulting in a net profit, after depreciation, amortization and extraordinary charges, but before Federal and State income taxes, of $620,933. The foregoing figures compare with net sales of $1,113,072 and net profit, similarly computed, of $155,810 for the six months ended Jan. 31, 1941. On account of War Department regulations the company is unable to furnish figures as to unfilled orders. However, G. H. Kann, President, states that present unfilled orders are substantial, and shipments are satisfactory.

The balance sheet as of Jan. 31, 1942 shows current assets of $3,580,850, including cash of $831,054 and inventories of $1,462,317, offset by current liabilities of $2,756,027, including notes payable to banks (secured) of $1,085,011 and advance payments on contracts of $803,610.

Mr. Kahn states that during the period certain necessary additions have been made to the company's plant, building and equipment, all of which are in splendid operating condition; and personnel and labor conditions continue satisfactory.

Company has declared a dividend of 7½ cents per share (including an extra of 2½ cents) payable May 1, 1942. The management while believing that the company's earnings might justify a larger distribution still it felt a conservative policy should be followed at this time, because of income tax requirements, increased payroll, etc., required on account of enlarged operations.

Now Jacques Coe & Co.

As of May 1, the firm name of Baar, Cohen & Co., 39 Broadway, New York City, members of the New York Stock Exchange and other Exchanges, will be changed to Jacques Coe & Co.

MUNICIPAL
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Tomorrow's Markets Walter Whyte Says——

Added to all other known factors, Presidential tax recommendations now gives market new problems. Current rally due mainly to short covering. Stabilization signs, however, becoming evident.

By WALTER WHYTE

If it isn't one thing, it's another. It's hard enough to figure the why's and wherefore's of the stock market, what with the war and the economic displacement, when along comes another sock that sets us right back on our collective heels.

* * *

The big news now is what about the President's latest proposals. Will they become law? If so, how will they affect us? And how about corporate earnings and dividends?

* * *

I know it seems pretty small pumpkins to talk or worry about the stock market, and what makes it tick, at a time when all of us are called upon to make sacrifices. But just as the rest of the country is pitching in, so are we in Wall Street willing to do our part in the war effort. Unfortunately our part has been small. But this was not of our doing. We in Wall Street are willing to do our part, indeed anxious, if permitted to do so. But anybody conversant with the business of Wall Street knows that of all the industries that go to make up this country of ours, the business of finance has been hit the hardest.

* * *

We read of tremendous profits, wages, etc. To most of us this is only hearsay. We do not share in it. Even this latest recommendation of the White House to tax 100% all net income over $25,000 is to most of us just academic. We have been living in a market downswing so long, that the making of money in the business of buying and selling of securities has become only a memory.

* * *

Still, we in Wall Street are ready to contribute our efforts towards the winning of the war. Maybe our contributions won't be as large as we would like. But that isn't because of lack of spirit. It's the shallowness of the pocketbook.

* * *

Now as far as the possibility of the latest Presidential proposals becoming a law is concerned. Before writing anymore, let me assure you that I have no so called inside information. I can, however, read between the lines, and with an election coming up, I doubt if Congress will pass a law anything like the President recommended.

* * *

For example, the House Ways and Means Committee is already drafting a bill. Its first piece of business will be to go ahead and vote on the Treasury excess profits plan; not the White House suggestion. You may have noticed that there were no Treasury proposals submitted to carry out FDR's message. The only change that Chairman Doughton of the Committee has mentioned, is the $25,000 income limit and even on this he said nothing concrete has been offered to the Committee by the Treasury Department. As a matter of fact, the more I read about what is happening in Washington, the more I think that not only won't the Presidential suggestions be now enacted into law, but even the milder Treasury proposals of last month will have tough sledding.

* * *

Corporations can still figure their excess profits against invested capital or normal earnings. Though a flat 55% tax on corporate profits is probably still in the cards.

* * *

For the time being, it seems that the war has taken second place to events on the domestic front. But don't forget that it is the war, not our entrance into it, but when Fascism first reared its head, that brought about present conditions. And until the war tides change in our favor, there will be little improvement in our stock markets.

* * *

As this is being written, the market is rallying. A great deal of the rallying power, however, comes from a short covering movement rather than from any sustained buying power. Still, whatever the reason, it's nice to see the market show an ability to do something else than go down. Meanwhile, you still hold Atchison, which has managed to keep its head above the 34 stop price; International Harvester above 41½; Western Union 24 and Union Carbide, 57. I won't say these stocks are burning up the tape, but considering the action of the rest of the

(Continued on page 1700)

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RAILROAD REORGANIZATION SECURITIES

RAILROAD SECURITIES

Considerable interest has been engendered recently in the junior bonds of the Florida East Coast, the 5s, 1974. Previously, and in a generally active and strong defaulted bond market, these bonds had lain dormant for a year or more in the 8½-9½ range. About two weeks ago they jumped sharply to 12½ on relatively heavy buying, and subsequently slumped just as suddenly to 10. Now, with volume of transactions continuing heavy around 11, many speculators are eyeing the bonds from the point of view of the near-term price enhancement potentialities. On the basis of current and prospective traffic figures and hopes of a possible interest disbursement, there is certainly ample background for bullishness.

The fly in the ointment is the drastic treatment proposed for the bonds in the ICC reorganization plan. Release of the final Commission plan a short time ago interrupted the advance that was under way, and was directly responsible for the precipitous decline from the year's high of 12½ a week or so ago. Bulls on the bonds base their hopes for higher prices on the possibility of an interest declaration early in the summer, and on the theory that continued phenomenal traffic expansion, if accompanied by the expected financial improvement, will instill optimism as to possible liberalization of the reorganization terms prior to consummation.

The protective committee for the bonds has made a request for payment of one semi-annual coupon on the issue, and this request will be considered by the court in June. The outcome is, naturally, impossible to prognosticate, but it is pointed out that in general the courts have been adopting a more liberal policy with respect to disbursements by reorganization roads. Also, it is believed that the company's financial position is adequate to make such a payment. This one semi-annual coupon would involve an outlay of $1,125,000. In comparison, the company had cash and special deposits of $3,312,000 on Feb. 28, an increase of $1,196,000 over a year earlier.

At the time of this writing the report of March earnings has not as yet been released. Results for the first two months were not too encouraging, but it is expected that subsequent reports will make very pleasant reading. Year-to-year gains in traffic during January and February ranged from around 8% to nearly 35%, but the rise in gross for the full period was more than offset by higher costs. For the opening week of March the rate of traffic expansion was accelerated to 63.2%, and since then has never been below 75%. In the best comparative week, the period ended March 21, the increase over a year ago amounted to 90.7%. With the exception of a few of the specialty carriers, the road has done better than any other Class I property in this interim. Added to the actual rise in volume of business, it is pointed out that revenues from the middle of March on will reflect the incidence of freight rate increases.

The answer to the sudden change for the better in the company's fortunes obviously lies in war developments. All along the company had been receiving a considerable volume of freight attributable to the war effort, and particularly the establishment of military camps in the service area. In addition, the road had been benefiting from the abatement of competition from highway carriers and coastal steamships. More recently this has been aggravated by the intensification of submarine activity off our shores. As a result, boats coming from South and Central America and the outlying islands have been putting into Southern ports and dumping their cargoes for transshipment by rail. Not only does this lessen the submarine danger but, also, it allows a quicker turn-around and a consequent greater utilization of available ship bottoms. In this connection Florida East Coast is be-

(Continued on page 1700)

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RR. Issue Attractive

An interesting analysis of prior lien 6s of 1948 of the Alabama, Tennessee and Northern Railroad Corporation has just been issued by Blair F. Claybaugh Co., 72 Wall Street, New York City, members of the Philadelphia Stock Exchange. The analysis includes a chart showing how the new securities to be issued under the plan of reorganization will be allotted to present security holders of the road. Copies of the analysis, which indicates interesting possibilities for the prior lien 6s of 1948, may be had from Blair S. Claybaugh Co. upon request.

English With Fisher Co.

(Special to The Financial Chronicle)

INDIANAPOLIS, IND. — John C. English has become associated with Fisher & Company, Inc., 8 East Market Street. Mr. English was previously with Paul H. Davis & Co. and T. P. Burke & Co. In the past he was an officer of Rodabaugh, English & Co., Inc.

Defaulted RR Bond Index

The defaulted railroad bond index of Pflugfelder, Bampton & Rust, 61 Broadway, New York City, shows the following range for Jan. 1, 1939, to date: High—40⅜, low—14¾, last—37¾.

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THE BOND SELECTOR

WARREN BROTHERS COMPANY REORGANIZATION

Discussion of the Reorganization Plan As it Affects the Bondholders

Judge Brewster of the U. S. District Court at Springfield, Mass., approved the reorganization plan of Warren Brothers Company on Jan. 29, 1942. It is understood that approximately 85% of the creditors have approved the plan which will be voted upon by bondholders and stockholders on June 1.

The old capitalization of Warren Brothers Company consists of two bond issues and three issues of preferred stock, in addition to the common, as follows: $1,487,500 5½% notes due March 1, 1937; $4,457,000 6% convertible debentures due March 1, 1941; 16,420 shares $1 first preferred; 4,692 shares $1.16⅔ second preferred; 40,907 shares $3 convertible preferred; 472,923 shares common stock.

The plan of reorganization provides for the following capitalization in place of that shown in the preceding paragraph:

Collateral trust series A 4½s, 1956	$4,150,300
Collateral trust cumulative income 5s, 1977	4,150,300
Total funded debt	$8,300,600
Class A stock (no par)	21,112 shares
Class B stock (no par)	40,907 shares
Class C stock (no par)	236,862 shares

The treatment of the old securities under the reorganization plan is shown in the following tabulation:

Old Securities— (Per $1,000)	Series A Bonds	Series B Bonds	Approx. Cash	Class A Shares	Class B Shares	Class C Shares
5½% notes	$680	$680	$13.88			
6% debentures	700	700	12.67			
(Per Share)						
First preferred				1		
Second preferred				1		
Convert. preferred					1	2.9
Common stock						¼

The chief reason that Warren Brothers Co. was unable to pay off the maturity of $1,487,500 5½s on March 1, 1937, and consequently had to seek refuge in Section 77-B of the Bankruptcy Act, was the failure of the Cuban Government to meet interest or principal payments on some $14,000,000 of bonds which were held by Warren. These bonds had been accepted by the company for work performed for the Cuban Government. With a change of Administration in Cuba the company's claims were adjudicated and the present holdings of Cuban bonds now pay their interest, the whole reorganization plan being tied in with these Cuban bonds.

The new series A and B bonds are collaterally secured equally by like principal amounts of Cuban bonds. For each $1,000 of series A and B bonds there is an equivalent face amount of Republic of Cuba external 4½s, 1941-55, and 4½s, 1937-77, the total of both issues amounting to $9,300,600. Under the plan of reorganization the series A and B bonds may be exchanged for a like principal amount of Cuban bonds; however, the company does not have to exchange more than $1,500,000 the first year, $500,000 the second year, and $250,000 each year thereafter.

Both as a contractor and a manufacturer of materials used, Warren Brothers Co. is one of the leading factors in street paving and highway surfacing. It holds patents on a number of paving processes, of which "Warrenite Bitulithic," a bituminous product, is the most important in point of mileage laid. Domestic road building contracts, directly or indirectly financed by the Federal Government, have in recent years become the principal source of revenue, whereas formerly the mainstay of the business was the paving of streets and highways for direct account of municipalities and for foreign governments. The latter formerly yielded about half of total revenues, but because of the uncertain market for foreign securities in which most foreign contracts were paid, the company in recent years withdrew to a large extent from this field.

The year 1941 was the most successful in point of gross revenues since 1931, when some of the Cuban work was done. Gross income of $8,149,000 was 55% ahead of 1940. The following shows pertinent income items for 1941 and 1940:

	1941	1940
Gross income	$8,148,668	$5,230,537
Operating income	833,527	105,208
Interest on Cuban bonds	391,631	------
Total income	1,283,002	138,819
Interest accrued on funded debt	464,017	------
Income taxes	190,620	1,939
Net income before extraordinary charges	713,350	5,235
Net income after extraordinary charges	591,195	d*186,177

d Deficit. *Before providing $429,533 accrued interest and $33,470 unamortized debt discount and expense.

At the end of 1941 the company's net property was carried at $1,565,492 and Government and municipal obligations at $9,206.487, the bulk of this representing Cuban bonds. Net working capital amounted to $2,089,247 compared with $1,057,089 at the end of 1940. Cash stood at $1.210,472 compared with $405,349 the previous year, and was well in excess of total current liabilities of $773,827.

To meet interest on the new 4½s and 5s will require about $394,000 annually; however, the Cuban bonds yield approximately that much, so that as long as the Cuban bonds continue to pay their interest the Warren bonds will be taken care of. In the 1941 report interest requirements of the new bonds was earned more than twice over without considering the interest received from the Cuban 4½s.

At the present time the two Cuban issues into which the new Warren Brothers 4½s and 5s are exchangeable sell at 79½, whereas the latest quotation on the Warren 4½s is "68 bid" and on the Warren 5s "no bid, offered at 73." The old 5½s, 1937, selling at 94, are priced about right after the exchanges for new securities are figured out. At present prices the new 4½s and 5s look underpriced when compared with some other issues which have been touching new highs recently purely on the basis of war business.

Bank and Insurance Stocks

This Week—Insurance Stocks

Complete figures now available covering 1941 operations of fire and casualty companies reveal underwriting trends and investment experience which indicate the importance of keeping adequate rates and reasonable underwriting profits in wartime as an aid to policyholders' surplus.

1. Substantial increase in premium volume.

Best's comprehensive tabulation of companies writing fire and allied lines estimates that premium volume of these companies reached about $1,060,000,000 for 1941, a gain of 15% over 1940 and the highest in the history of the business, topping the previous 1929 high by over $50,000,000.

Fire premiums for the first time in several years scored an important gain, rising 8% over 1940. Various factors are cited for the inability of fire premiums to show more volume gains, including the steady reductions in fire insurance rates, increased popularity of inland marine coverage and effect of competition from mutuals, but it would appear that this basic line of fire insurance companies should now experience a good volume trend under wartime conditions.

Other lines scored more spectacular gains for 1941, ocean marine premiums rising about 35% and motor vehicle and inland marine lines, about 15%. Companies, however, were much happier to write fire than ocean marine and motor vehicle volume in 1941, for Best's preliminary study of 35 largest companies shows that the incurred loss ratio of fire lines rose only one point, to 43.4%, but the loss ratio on ocean marine jumped sharply by over 10 points, to 57.1% and motor vehicle, about six points, to 58.5%.

Moreover, volume outlook for both ocean marine and motor vehicle lines appears less favorable. For the duration, Congress has empowered the Maritime Commission to provide war risk insurance and reinsurance and marine risk reinsurance whenever it appears to the Commission that such insurance on an adequate basis cannot be obtained on reasonable terms and conditions. While this does not mean that direct writing or reinsuring marine companies are shut off, the recent increase in losses has forced companies to raise rates substantially, and since the Maritime Commission has now taken over all freighters and tankers, it now occupies a position in the nature of a self-insurer which might lead to extension of its insurance activities.

Stoppage of new automobile production would not, of course, shut off the motor vehicle insurance market, in view of the ratio of about 6:1 between vehicles outstanding and recent production of new cars, but restrictions on tires and gasoline have more direct repercussions.

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Casualty companies also reported a 15% expansion in premium volume to a new high of about $1,000,000,000, featured by increases in basic lines such as workmen's compensation and auto liability. Compensation premiums, in view of the likelihood of sustained high level of payrolls for the duration, enjoy a good volume outlook, but the prospect for auto lines appears less promising.

On balance, expansion in premium volume will probably continue.

2. Rising trend of losses.

The composite loss ratio of fire companies rose three points, to 53.2% in 1941, the highest since 1932. In fact, since 1935, the loss ratio of fire companies has risen almost 13 points, having increased in every year in that period.

It is a normal expectation, however, for losses to show a rising trend in times of sharply expanding volume, because of the increased exposure to losses created by high rate of production and war projects. Moreover, although rising loss ratios are to be expected, expenses are not rising in proportion to the heavy expansion in volume, so that the lowered expense ratios act as an important offset to rising loss ratios.

Thus, for 1941, the expense ratio of fire companies dropped two points, to 42.5%, the lowest since 1926. Rise in combined loss and expense ratios was therefore held down to one point for 1941, to 95.7%. Nevertheless, this was the highest since the 102.5% of 1932.

This 1941 margin for underwriting profits is not fully reflected in 1941 operating statements, which show a statutory underwriting profit of only $4,996,000 (0.5%), compared to $19,012,000 in 1940 (2.3%), because of the expansion in unearned premiums caused by larger term business. If we allow 40% equity in the increase in unearned premiums, 1941 underwriting gain would be $40,798,000.

Casualty companies enjoyed increase in both statutory underwriting profits and unearned premiums for 1941. Statutory underwriting profits rose 7%, to $56,160,000 (6% on earned premiums), compared to $52,569,000 (6.3%) in 1940.

Casualty companies too, however, are experiencing rise in loss ratios, the 1941 loss ratio of 52.7% showing a one-point rise over 1940 and two points over 1939. Although this trend is as yet moderate, and was fully offset by the 1.6-point drop in expense ratio in 1941, it is to be expected that the underwriting problems created by war will increase rather than diminish.

To summarize, the era of low loss ratios appears at an end, and rising loss ratios must be expected. This emphasizes the need for adequate rates and continuation of the enlightened public regulation which has stressed such adequacy of rates.

3. Investment operations decline.

Ordinarily, investment operations (income from, and profits and appreciation on investments) furnish an increased contribution to surplus to furnish a cushion for the rising volume of underwritten risks. In 1941, however, net investment operations of both fire and casualty companies decreased their contribution to surplus, thus throwing a heavier burden upon underwriting operations.

Net investment operations of fire companies produced 39% lower return of $20,233,000 for 1941, while that of casualty companies was 30% lower at $14,183,000. As a result, policyholders' surplus of fire companies dropped 7%, compared to 15% expansion in premiums written and 11% increase in unearned premiums. Policyholders' surplus of casualty companies rose only 1%, compared to 15% expansion in premium volume, 12% in unearned premiums and 7% in loss reserves.

Investment income alone of the fire companies rose 6% for 1941, to $81,693,000, of which stockholders dividends of $71,938,000 were 88%. Investment income of the casualty companies rose 5%, to $37,611,000. Heavier taxes generally and their effect on net available for dividends by leading corporate issues indicate prospect of lower dividend receipts, offset to some extent by probably maintained interest on bond holdings and increased income resulting from increased premiums invested.

However, the chief source of investment gain is capital appreciation, and since the mood of the security markets is hardly recep-

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The Securities Salesman's Corner

You Don't Have to Yell, to Sell

Spring is here. The trout are striking—the Dodgers are once again leading the league—and the markets are making new lows every other day. Who is to be blamed if we are not thinking about selling securities? But sell them we must—at least as long as we have a market, a job, or a family to feed. So, let's get back to reality again this week and talk some more about "selling."

Sometimes it's a pleasure to meet a salesman who seems to go along and do his job in such an effortless manner we hardly realize that he's working. There are such salesmen. In our opinion, they are the "cream of the crop." Quiet, reserved, slow of speech, making every word count, an understanding smile on their face, excellent listeners, planners of every move before they attempt any action, poised and unperturbable, masters of understatement, —here in brief is a summary of the qualities that are possessed by some of the greatest salesmen in this country today.

This is contrary to the generally accepted public idea of the qualifications that are necessary in order to become a successful salesman. These fortunate individuals, who by nature as well as through study and application, that have mastered the art of "effortless" selling, are today among the leaders in almost every field of promotional and sales activity.

It is the opinion of this column that no field is better adapted to this sort of selling technique than present day "security salesmanship." In fact, we had one of our old friends in from Boston the other day, and we were discussing this very subject. During the conversation we asked him how long he had been selling securities. "Ever since 1924," he replied. "You know," he went on, "I am not a kid any more; *if I had to put on an act, pound the table and raise the kind of a hullabaloo we used to exert every time we made a sale in the olden days, I'd be burned out by now. You've only got so many shots like that in your system; besides, who wants to be a combination circus barker and high pressure, steamroller salesman just to make a living.*

By this, we do not mean that it is necessary to go about one's affairs in a sleepy, half-hearted manner. There is every reason to put a sustained, foreceful drive behind each day's work that we undertake. The difference between a controlled emotional drive and the hectic, sometimes hit and run manner in which some salesman go about trying to do business is strikingly shown by the earning power of many salesmen who even today, are turning out excellent production records.

Here are a few things that we believe are necessary in order to qualify for that select group of "effortless salesmen" who are still doing an excellent job and turning in the business.

1. Know what you are talking about. Know that you have the facts, the details, all angles that can possibly be discovered about your subject, your proposition, or your product.
2. Be honest. If you really believe your customer will be the gainer if he buys your offering, then the confidence you have will be transmitted automatically to your buyer. Conviction is carried over from you to him. Doubts cannot exist when there is an atmosphere of candor, honesty and conviction.
3. Don't rush to tell your whole story in one mouthful. Give it out a little at a time. Have your reasons for buying **organized.** Try one point—then another. Stop and try this, "I almost forgot to tell you, Mr. Jones," (then bring out the strongest argument you have), but make it as an afterthought. This is very effective.
4. Speak in a lowered voice, but not so inaudible as to make hearing difficult. Low voice—slow voice—carries attention much better than loud voice—rapid speech.
5. Have something to show. Create some pictures as you talk. Draw a map—make diagrams on a piece of paper—build up your proposition with dramatic emphasis as the kind of situation which is unusual. In other words, give the impression that your prospect is an important person and that your proposition is also above the average.
6. Have faith in yourself. Keep calm at all times. Do one thing at a time. Try to cultivate the inner conviction that you "are good." That you know you will always come through. That the world could cave in and you'd still keep calm and composed.

In conclusion, and we have said it before, "Think fast and talk slowly." And work! But don't get out of breath running around in circles trying to see how many people you can talk to between sun-up and sun-down. Rather, see one or two, but make those calls count. This is the way to keep on doing business every day—**and the way to do it without getting high blood pressure, stomach ulcers, kidney trouble or a weak heart.**

P.S.—A doctor once told us these were the four worst enemies of most business men and salesmen in general. **He claimed such diseases were the partners of nervous tension and high pressure living.**

tive to appreciation factors outside of favorable war news, important gains from this source cannot be counted on.

Therefore, the entire situation throws an increased burden upon underwriting's contribution to policyholders' surplus, making it highly important that nothing be done by public authorities to impair the policy of adequate rates based on loss experience which assures underwriting's contribution to surplus.

Treasury Will Seek $4 Billions May-June

The Treasury plans to borrow $2,000,000,000 in May and the same amount in June, Secretary Morgenthau announced on April 27. It is said that this two-month financing will be the largest "new money" operation in Treasury history. The proposed borrowing will be in addition to the regular sale of war bonds, which for the two months will probably total well over $1,000,000,000. The type of securities to be offered in this huge financing has not been decided, though it will probably involve both short-term and long-term obligations. In April the Treasury sold over $1,500,000,000 of ½% certificates of indebtedness, due Nov. 1, 1942—the first time this type of security had been offered since 1934.

Result Of Treasury Bill Offering

Secretary of the Treasury Morgenthau announced on April 27 that the tenders for $150,000,000 or thereabout of 91-day Treasury bills, to be dated April 29 and to mature July 29, 1942, which were offered on April 24, were opened at the Federal Reserve banks on April 27. The following details of this issue are revealed:

Total applied for	$375,372,000
Total accepted	150,125,000

Range of accepted bids (excepting two tenders totaling $55,000):

High—99.950. Equivalent rate approximately 0.198%.

Low — 99.910. Equivalent rate approximately 0.356%.

Average price, 99.915. Equivalent rate approximately 0.335%.

(26% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on April 29 in amount of $150,074,000.

Inv. Trust Compendium

The 1942 edition of "Investment Companies and Their Securities" has just been issued by Arthur Wiesenberger & Co., 56 Beaver Street, New York City. The study reviews 67 investment companies, with total assets of $770,000,000 on a basis of comparative management results.

Detailed analyses are presented on 29 "closed-end" investment companies. An interesting feature of the study is the presentation of information on tax-free dividends of investment trust common and preferred shares, which should be of important interest to investors in high income tax brackets—nine of the common stocks and 14 of the preferred stocks paid dividends last year which were partially or completely non-taxable; this nontaxable feature, Arthur Wiesenberger & Co. states, is due to offsetting tax-loss sales considered as a return of capital, and the extent of future tax savings on the 29 companies reviewed is impressive when it is noted that unrealized portfolio depreciation as of the year-end totaled about 70% of the year-end asset values of these Funds.

Included in the study is an analysis of asset distribution, comparative gross income, expenses, turnover of investments, and balance sheet analyses of the 29 "closed-end" companies. Income figures are presented comparing the performance of investment trusts with the Dow-Jones combined stocks for last year, which refute, according to the company, the impression that investment trusts have not done well in handling their assets.

Copies of the 1942 edition of the investment trust compendium may be had from Arthur Wiesenberger & Co., and sell for five dollars per copy.

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Investment Trusts

The Case For Diversification—And Supervision

On March 31, 1938, the Dow-Jones Industrial Average made an historic low at 98.85. On April 9, 1942, it closed at 99.69; a stalemate.

So, the superficial conclusion is that anyone who bought at the '38 low would be about even today. Would he? The eleven prominent stocks tabulated below are all included in the Dow-Jones Industrial Average:

Stock—	1938 Low	Price, April 9, 1942	Change	Percent Change
American Can	70¾	61½	— 9½	—13.4
American Tel. & Tel.	111	116¼	+ 5¼	+ 4.7
American Tobacco B	58¾	38½	—20¼	—34.5
Bethlehem Steel	39¾	57¾	+18	+45.3
Chrysler Corp.	35⅜	53⅛	+17¾	+50.2
Dupont	90½	110¾	+20¼	+22.4
International Nickel	36⅞	26¼	—10⅝	—29.0
Standard Oil of Calif	25⅛	19⅛	— 6	—23.9
United Aircraft	19½	31⅜	+11⅞	+60.9
U. S. Steel	38	49	+11	+29.9
Woolworth	36	23½	—12½	—34.7

The figures demonstrate that there is no such thing as "the market," and they probably contain a considerable element of surprise for most people. It is natural for more volatile issues to out-pace investment stocks in a bull market, but the reverse is expected when prices, on average, decline or stand still.

Probably the defensively inclined investor in 1938, if asked to select three stocks from this list, would have taken American Tel., American Tobacco B and Woolworth. Two of the three would have shown him the largest losses of the entire list, and the other has barely held its own, whereas profits of 50% and 60% were available to the happy possessor of the right kind of crystal ball.

Once more, the first basic principle of investment asserts itself; today, as always, there is no substitute for diversification.

And today, with investment factors rivaling the kaleidoscope in the rapidity of their changes, the handling of even a well diversified list is a full-time professional job.—Reprinted from "The New York Letter," published by Hugh W. Long & Co., national distributor of New York Stocks, Manhattan Bond Fund, Fundamental Investors, and Investors Fund "C."

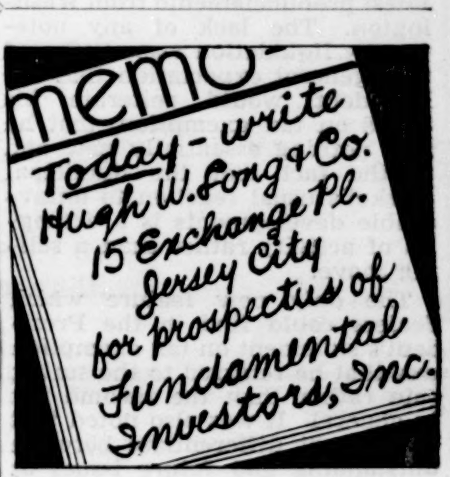
* * *

That post-war considerations should play the major part today in selecting securities for investment (as distinguished from speculation) is an opinion often expressed in various quarters. The reasoning on which this opinion is based includes the points that: (a) war is essentially temporary; (b) its duration is uncertain; (c) the war-time behavior of securities is difficult to judge.

We disagree with this opinion, for the reasons outlined below.

In the first place, war is not only a fact, but it is the dominant economic and financial element. To attempt, in effect, to disregard it because it will not last indefinitely and because we cannot tell how long it will last, is merely to assume an ostrich-like attitude.

The uncertainty of the duration of the war is all the more reason to consider it. While, in making commitments, investors have a greater degree of permanency in mind then speculators, they must also always be ready to make any changes that seem advisable. The lesson that securities cannot be "put away and forgotten" should have been thoroughly learned by now. It should be remembered that any securities bought may have to be sold at some uncontemplated time.



The problem presented by the fact that current conditions are subject to change is always present in investment. It is not a reason for ignoring current conditions, but instead emphasizes the necessity of constant supervision in investment. If securities that are unfavorably affected by war (no matter how bright their post-war prospects) are bought now, they may have to be sold during the war, at depressed prices.

Nor is the fact that securities may be more difficult to judge in war-time a sound argument. No matter how difficult it may be to weigh the effects of current conditions, the investor must deal with them as best he can—to ignore them merely courts disaster. Furthermore, in some respects the war causes a number of relatively fixed conditions that actually make the selection of securities easier than in normal times.

To give post-war considerations major weight in selecting investments at present, unconsciously assumes that post-war conditions can currently be better judged than the war-time conditions that are actually with us.

Not only do we not know when the post-war period will arrive, but also we do not know just what it will be like. There may be a slump; there may be a boom; there may be a slump followed by a boom, or vice versa. Future post-war conditions appear more, not less, difficult to foresee than

(Continued on page 1697)

Municipal News & Notes

President Roosevelt's recommendations in his message to Congress on Monday that State and municipal bond tax exemption be ended, at least so far as the surtax goes, induced immediate market repercussions. A general lowering of bids throughout the list resulted, although it was not nearly so drastic as followed Secretary Morgenthau's memorable speech in Cleveland. However, each time the Administration's drive for a removal of all tax immunity is revived, the municipal market displays characteristic sensitivity. This is true, even though Congressional sentiment at this time points to rejection of proposed legislation to levy Federal income taxes, particularly in regard to outstanding obligations.

Employing the same approach as in previous references to the subject, although considerably modified this time, President Roosevelt stated:

> **It is indefensible that those who enjoy large incomes from State and local securities should be immune from taxation while we are at war. Interest on such securities should be subject at least to surtaxes."**

All in all, the municipal market reacted fairly mildly to this latest pronunciamento from Washington. The lack of any noteworthy liquidation was attributed to a general expectation that the President would reiterate his views on tax exemption, that he said nothing essentially new and to the fact that the municipal market's usual reaction to unfavorable developments is a drying-up of activity rather than a selling move.

The only new feature which dealers could find in the President's statement on tax exemption was that he referred to the surtax rate rather than the income tax in general. It was also noted that he did not differentiate between outstanding and future issues as he did in his budget message in January.

Indicative of the fact that municipal houses were not too disconcerted by Monday's attack was the award by the City of Boston, Mass., on Tuesday of $3,776,000 funding and relief bonds on a bid of 100.289 for 1¾s. Public reoffering of these obligations is said to have been well received. Five other bids were submitted for the bonds by investment groups.

Most of the more important State and city issues showed improvement on the bid side Tuesday. The New York City transit unification 3s, for instance, evidenced a fair recovery. Also showing better tone—the revenue bonds outstanding against toll bridges, tunnels and the like, such as the New York Port Authority 3s, and the Triborough Bridge 3¼s.

Revenue obligations had suffered considerable setbacks market-wise last week, reflecting the prospect of drastically curtailed use of automobiles growing out of tire and gasoline rationing with the consequent loss of funds arising from such usage. Certain highway bonds had also developed uneasy tendencies on a sympathetic footing.

Trend of City Tax Delinquency, 1930-1941

Property tax collections by the average United States city in 1941 showed a further upward swing from 1940 and many cities established a new record in current collections last year, the Municipal Service Department of Dun & Bradstreet, Inc., states in its annual survey of municipal tax delinquency just published.

The average year-end delinquency on 1941 levies of 150 large cities dropped to 6.80% from 8.70% in 1940 and 9.25% in 1939.

The survey warns, however, that 1941 probably marked the low point in current tax delinquency for some time to come. With higher Federal taxes, inclusion of a considerable number of taxpayers in the Nation's armed forces, and other emergency factors, it will not be surprising if the average city encounters some difficulty in the collection of taxes from now on, it remarks.

The survey also emphasizes that municipal revenue systems in their entirety need to be carefully scrutinized at this particular time, as a shrinkage in miscellaneous revenues, grants-in-aid, and State-collected taxes shared with local communities can unbalance municipal budgets just as quickly as property tax delinquency.

Tax collection records for 1941 disclose, however, that cities have had ample opportunity to fortify themselves against the vicissitudes of the war period. But those which began the current year with sizable deficits in their current accounts, or with the continuing necessity of deficit funding and maturity refunding, are likely to be in a vulnerable position.

Large City Water Charges Surveyed

The average resident of a city of over 300,000 population pays 97 cents a month for 5,000 gallons of water, according to a survey of water charges in the 30 largest U. S. cities made public last week by Barcus, Kindred & Co., 231 S. La Salle St., Chicago, municipal bond specialists.

Both domestic and industrial charges are covered in the survey. Selected bills for quantities ranging from 3,000 to 5,000,000 gallons monthly in each city are studied. The survey points out that water supply costs vary so widely from city to city that they must be considered in judging relative rates.

Highest water charges for both household and commercial use are paid by San Francisco, the survey shows. Lowest are paid by Chicago.

In the ratio of population to water users, the median for all 30 cities is 5.1. In general a high ratio indicates a high level of hotel occupancy and apartment building tenancy. A low ratio indicates a high percentage of home ownership. New York has the highest ratio with 11.9. Jersey City is second with 8.4 and Chicago third with 8.2. Portland, Ore., has the lowest ratio of all cities with 3.4.

Sewer Rental Charges Levied by 185 Cities

Special charges for the use of sewerage systems, under consideration in some war-production communities as a source of revenue to meet demands for increased municipal services, already are made in 185 cities, the International City Managers' Association reports in the 1942 Municipal Year Book.

The high percentage of cities charging sewer rentals lies in the cities above 100,000 population and in those between 10,000 and 25,000.

More than three-fourths of the 185 cities—77.3%—have their own sewage treatment plants. 24 of the cities without municipal plants are served by privately operated facilities, while 18 others are served by facilities of neighboring governmental units.

Municipal and Government Investments to Be Discussed

An economic conference, "Devoted to Victory by Saving," will open in the Waldorf-Astoria, New York, May 6 and continue through May 8, when members of the National Association of Mutual Savings Banks meet to discuss savings under war conditions. Representatives of the Government, the economic field, industry and banking will address the gathering, made up of officials and trustees representing the 17 States in which mutual institutions operate.

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Among those to address the Conference on May 6 is Ralph W. Chapin, Chairman of the Committee on Municipal and Government Investments and Treasurer of the State Savings Bank, Hartford, who will analyze the outlook for municipal and Government investments.

At the morning session on May 8, defense housing and related matters are to be discussed by John B. Blandford, Jr., Administrator, National Housing Authority.

Ohio Court Decision Affects Local Units

Certain taxing bodies in Ohio will be aided by the recent decision of the State Supreme Court authorizing the City of Columbus to levy a tax outside the constitutional 10-mill limitation to pay principal and interest requirements on bonds issued prior to Jan. 1, 1934, it is pointed out by J. A. White & Co., Union Central Building, Cincinnati.

"This decision, particularly if brought to the attention of taxing authorities throughout the State," the firm declares, "will go a long way in alleviating the financial troubles of those subdivisions that have been unable, because of the 10-mill tax limitation, to find sufficient income for all their operating and debt service requirements. Many such subdivisions, particularly small school districts and communities whose officials have not been kept fully abreast of recent Court decisions, have been suffering financial difficulties principally because they have believed it necessary to pay from their share of taxes allowed inside the 10-mill limitation, all outstanding bonds the tax levy for which had not been specifically voted outside the tax limitation."

Michigan Special Assessments Case Ruling

The Municipal Investors Association on Monday was denied a review by the United States Supreme Court of the case in which it asserted a contract right to require the City of Birmingham, Mich., to levy special assessments against land sold for tax delinquency in order to pay defaulted paving bonds held by the Association. The Court, in refusing to review the findings of the Supreme Court of Michigan, ruled that the bonds grant no such contract right.

Large N. Y. State Surplus Forecast

New York State will be more than $22,000,000 "in the black" at the fiscal year-end, June 30, according to a Republican financial authority, who predicted a surplus nearly 45% higher than the $15,600,000 estimated by Governor Lehman.

MEETING NOTICE

NORFOLK AND WESTERN RAILWAY COMPANY
Roanoke, Virginia, April 6, 1942.
NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

The Annual Meeting of the Stockholders of Norfolk and Western Railway Company will be held, pursuant to the By-laws, at the principal office of the Company in Roanoke, Virginia, on Thursday, May 14, 1942, at 10 o'clock A. M., to elect three Directors for the term of three years, and to transact such other business, not known or determined at this time, as properly may come before the meeting.

Stockholders of record at the close of business April 24, 1942, will be entitled to vote at such meeting.

L. W. COX, Secretary.

Assemblyman Abbot Low Moffat, Chairman of the Ways and Means Committee, reported in a statement that unexpectedly high collections from motor vehicle fees, and gasoline and beverage taxes, would swell the anticipated year-end balance.

N. Y. State Grade-Crossing Bond Money Shifted

Most of the $60,000,000 grade-crossing elimination bond money which by vote of the people at the last November election was to be reallocated to highway and parkway construction, will become part of a fund for post-war public works construction by the provisions of a bill signed Monday by Governor Lehman.

In signing the measure the New York Chief Executive said that under new law none of the $60,000,000 may be used for the present, except for the construction of parkways or highways which have been certified by the Governor as necessary for national defense, or for the preparation and review of plans and specifications. The Governor also signed on the same date the "omnibus" bill implementing and codifying the State War Emergency Act which sets up the State and local war councils, provides for mutual aid, financing, closing or restricting use of highways and waterways and defines violations and penalties.

Norfolk Bonds Held Legal in N. Y. State

The City of Norfolk, Va., was not on the last published list of bonds eligible for investment by savings banks in New York State. Upon examination of the prospectus issued by the city in connection with its recent sale of $3,550,000 water and general improvement bonds, it has now been determined by Reed, Hoyt, Washburn & Clay, New York municipal bond attorneys, that the city now complies with the provisions of Section 235, New York State Banking Law.

Cleveland Bonds Delivered to Purchasers

Blyth & Co., Inc., as head of a Nation-wide banking group which earlier this month offered $17,500,000 City of Cleveland Transportation System revenue bonds, announced Tuesday that they have made payment to the city and received delivery of the bonds. This brought to a conclusion one of the larger municipal flotations of the year, and added Cleveland to those cities, such as New York and Detroit, which now own their own transportation systems.

New Orleans Refunding Operation Foreseen

New Orleans may supply the municipal market with a refunding operation amounting to $12,000,000, according to talk in municipal circles. Several syndicates are said to be in the process of formation, anticipating that the city will call its old permanent improvement 4s due July, 1950, and callable July 1, 1942.

The City of New Orleans has been in existence for well over 200 years but the current war activity has the old town humming as never before.

The present population of New Orleans is around 500,000. With current and projected additions it will reach, within a year, 600,000 or 625,000. Other cities in Louisiana— Baton Rouge, Lake Charles, Monroe and Alexandria —are meanwhile growing like mushrooms. Over $500,000,000 of capital expenditures have been made in Louisiana defense camps and industries. Bank deposits have reached an all-time high. Staggeringly big war contracts have been awarded, the Higgins ship contracts alone running over $700,000,000. Need it be added that employment figures, too, look good, what with the shipbuilding, the new Nash-Kelvinator plant that will make cargo planes and similar ventures? Housing for the new workers is going to cost more than $100,000,000. Maintenance of the tremendous army camps in this region and the money spent by soldiers further swells the city's business.

So let's just say the town is sort of busy.

DIVIDEND NOTICES

The American Tobacco Company
INCORPORATED
111 Fifth Avenue New York City

147TH COMMON DIVIDEND

A dividend of Seventy-five Cents (75¢) per share has been declared upon the Common Stock and Common Stock B of THE AMERICAN TOBACCO COMPANY, payable in cash on June 1, 1942, to stockholders of record at the close of business May 9, 1942. Checks will be mailed.

EDMUND A. HARVEY, *Treasurer*
April 29, 1942

THE ATLANTIC REFINING CO.

COMMON DIVIDEND
NUMBER 147

At a meeting of the Board of Directors held April 27, 1942, a dividend of fifteen cents per share was declared on the Common Stock of the Company, payable June 15, 1942, to stockholders of record at the close of business May 21, 1942. Checks will be mailed.

W. M. O'CONNOR
Secretary
April 27, 1942

THE BUCKEYE PIPE LINE COMPANY
26 Broadway
New York, April 25, 1942.

A dividend of One ($1.00) Dollar per share has been declared on the Capital Stock of this Company, payable June 15, 1942 to stockholders of record at the close of business May 29, 1942.

J. R. FAST, Secretary.

OTIS ELEVATOR COMPANY

PREFERRED DIVIDEND NO. 174
COMMON DIVIDEND NO. 138

A quarterly dividend of $1.50 per share on the Preferred Stock and a dividend of 20¢ per share on the no par value Common Stock have been declared, payable June 20, 1942, to stockholders of record at the close of business on May 26, 1942.

Checks will be mailed.

C. A. SANFORD, *Treasurer*
New York, April 22, 1942.

UNITED GAS CORPORATION
$7 Preferred Stock Dividend

At a meeting of the Board of Directors of United Gas Corporation held April 28, 1942, a dividend of $2.25 per share was declared on the $7 Preferred Stock of the Corporation for payment June 1, 1942, to stockholders of record at the close of business May 9, 1942.

E. H. DIXON, Treasurer.

VANADIUM CORPORATION OF AMERICA
420 Lexington Avenue, New York, N. Y.
April 16, 1942.

At a meeting of the Board of Directors held today a dividend of twenty-five cents per share was declared, payable May 4, 1942, to stockholders of record at 3:00 o'clock p. m., April 27, 1942. Checks will be mailed.

P. J. GIBBONS, Secretary.

Washington Utility Dist. Bond Sale Held Up

Although it was expected that an offering date would have been set ere this on the $5,875,000 Whatcom Co. Pub. Util. Dist. No. 1, Wash., electric revenue bonds, no definite action has materialized as yet.

The bonds are to be issued to finance the acquisition by the district of the electric properties now operated by the Puget Sound Power & Light Co. in the district, together with certain transmission lines extending into Skagit County, to provide working capital and for other purposes.

Major Sales Scheduled

We list herewith the more important municipal offerings ($500,000 or over — short term issues excluded), which are to come up in the near future. The names of the successful bidder and the runner-up for the last previous issue sold are also appended.

April 30 (Today)

$2,278,000 Charleston Housing Auth., W. Va.

These bonds are being issued to refund series A and B bonds now outstanding.

May 5

$5,800,000 Allegheny Co., Pa.

This offering was for $6,800,000 originally and had been scheduled for April 28. On the latest sale by the county, Lazard Freres & Co. of New York, headed the successful syndicate in April, 1941. Next best bid was entered by Harriman Ripley & Co., Inc., of New York, and associates.

$1,225,000 Oklahoma Co., Okla.

There is no record of any recent sale by this county.

May 7

$608,337.72 Utica, N. Y.

Last September, the city awarded bonds to Dick & Merle-Smith of New York. Second best offer was submitted by Lehman Bros. of New York, and associates.

May 19

$505,000 Albuquerque, N. Mex.

This city last sold bonds in February, 1940, the award going to Sidlo, Simons, Roberts & Co., and the J. K. Mullen Investment Co., both of Denver, jointly.

Investment Trusts

(Continued from page 1695)

the effects of the present war economy.

What, then, is the answer? Since war is the dominant factor and will be with us for an indefinite period, the only sensible procedure (for funds where management is flexible) is to adapt investment portfolios to the war economy. When the economy changes from a war-time one, investment lists can also be changed in the light of conditions and prospects at that time. This is only following the sound and established principles that, to have reasonable expectancy of success, investments must be in accord with ruling conditions, and there must always be alert willingness to change if and as conditions change. These principles apply to the institutional as well as the individual investors.—Reprinted from "Investment Timing," published by the Economics & Investment Department, National Securities & Research Corporation, distributors of National Securities Series and First Mutual Trust Fund.

* * *

Investment Company Briefs

The investments of Dividend Shares, Inc., are, with minor exceptions, confined to common stocks at this time, according to the latest Calvin Bullock "Bulletin." Selected and diversified stocks, in the opinion of the management, appear to offer assurances of a satisfactory return and an opportunity for protection to purchasing power in periods of rising living costs.

At current levels, and based on recent dividend rates, the "Bulletin" points out, common stocks as a whole are providing a far more generous return than virtually all other investment media. Remarking that the average return on high-grade bonds is about 3%, "Bulletin" says that to reduce stock yields to as low as 4% would mean very extreme reductions—60% in the cases of some leading issues—from 1941 dividend payments.

"It raises the question as to whether the fear of common stocks on a yield basis in 1942 has not been overdone," says "Bulletin."

* * *

The 71st consecutive quarterly report of Massachusetts Investors Trust shows an increase in shares outstanding from 5,870,592 on Dec. 31, 1941, to 5,942,499 on March 31, 1942. Also an increase of over 1,000 in the number of shareholders.

Among other things, the trustees state that "98% of the investments of the Trust taken at market, other than cash, have paid interest or dividends during the past 12 months."

* * *

Sales of National Securities Series have passed the $3,000,000 mark. This result within only about 18 months is tangible evidence of the investor response to the income appeal of this Series, says the sponsors. Low-Priced Bond Series is leading in volume, followed by Bond Series, Income Series, Preferred Stock Series, and Low-Priced Common Stock Series, in the order named.

* * *

The directors of Boston Fund have declared a regular quarterly dividend at the rate of 16 cents a share, payable May 20, 1942, to stockholders of record April 30.

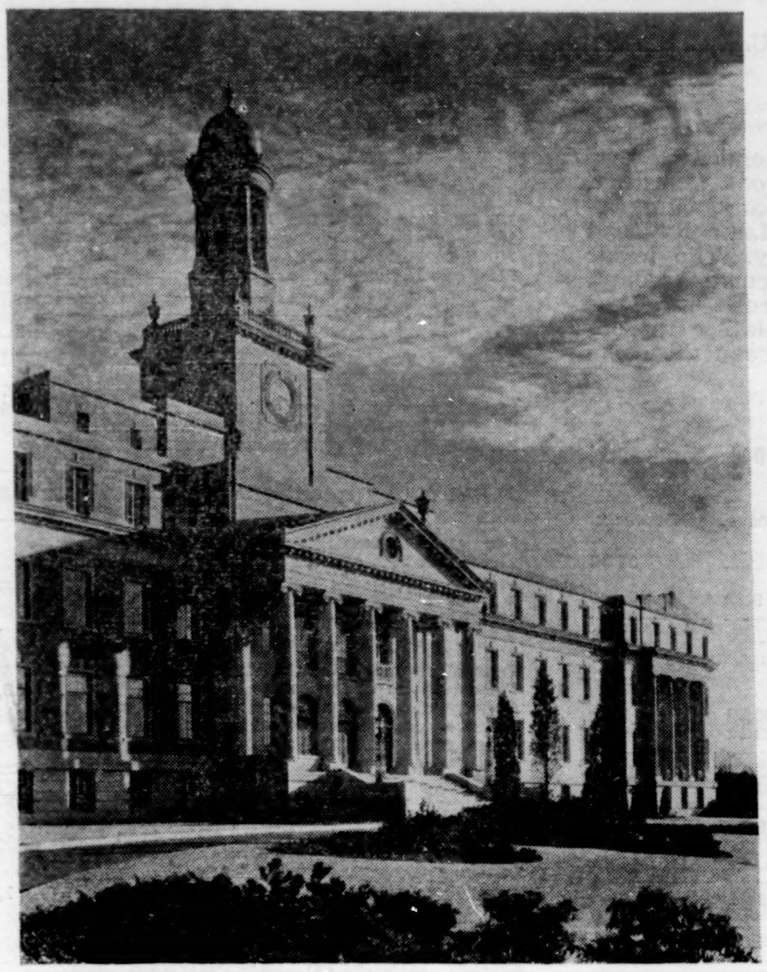
This dividend is derived entirely from undivided earnings representing dividends and interest on securities owned.

The payment is at the same rate as for the corresponding period last year.

Loomis With Hutton

(Special to The Financial Chronicle)

LONG BEACH, CALIF. — Roy Loomis has become affiliated with E. F. Hutton & Co., 219 East Broadway. Mr. Loomis was formerly local manager for Dean Witter & Co. for a number of years.



DEFEND YOUR HOME SOLVENCY

On land and sea and in the air, brave men fight and die for the cause of liberty.

But the casualties of war are not all in line of military duty.

In offices and factories throughout America, men and women engage in a different kind of battle . . . the struggle for economic security . . . made more difficult in these days of our country's crisis.

Nerves are tightened and the pulse is quickened. Sleepless nights follow anxious days. Physical endurance is taxed to the limit.

Times like these redouble the need for keeping enough life insurance in force.

Massachusetts Mutual
LIFE INSURANCE COMPANY
SPRINGFIELD, MASSACHUSETTS

Bertrand J. Perry, President
Organized 1851

UNION PACIFIC RAILROAD COMPANY

FORTY-FIFTH ANNUAL REPORT — YEAR ENDED DECEMBER 31, 1941

To the Stockholders of Union Pacific Railroad Company:

The Board of Directors submits the following report for the year ended December 31, 1941, of the operations and affairs of the Union Pacific Railroad Company, including lines leased from Oregon Short Line Railroad Company, Oregon-Washington Railroad & Navigation Company, Los Angeles & Salt Lake Railroad Company and The St. Joseph and Grand Island Railway Company. The lessor companies have certain income and charges, and the figures in the Income Account, other than those relating to transportation operations, and in the Profit and Loss Account and General Balance Sheet and tabulations and tables relating thereto are stated on a consolidated basis, *excluding offsetting accounts between the companies except as otherwise noted.*

INCOME

The operated mileage at close of year and income for the year 1941, compared with 1940, were as follows:

	1941.	1940.	Increase.	Decrease.
Operated Mileage at Close of Year.				
Miles of road	9,870.77	9,892.15	------	21.38
Miles of additional main track	1,537.92	1,537.92		
Miles of yard tracks and sidings	4,310.03	4,300.84	9.19	
Total Mileage Operated	15,718.72	15,730.91	------	12.19
Transportation Operations.				
Operating revenues	$218,091,994.24	$168,164,257.99	$49,927,736.25	
Operating expenses	159,997,894.58	120,949,111.46	39,048,783.12	
Revenues over expenses	$58,094,099.66	$47,215,146.53	$10,878,953.13	
*Taxes	17,784,641.71	14,693,388.53	3,091,253.18	
Railway Operating Income	$40,309,457.95	$32,521,758.00	$7,787,699.95	
Rents from use of joint tracks, yards, and terminal facilities	1,559,762.67	1,706,507.08	------	$146,744.41
	$41,869,220.62	$34,228,265.08	$7,640,955.54	
Hire of equipment—debit balance	$9,048,383.48	$8,770,354.87	$278,028.61	
Rents for use of joint tracks, yards, and terminal facilities	2,285,463.65	2,098,950.14	186,513.51	
	$11,333,847.13	$10,869,305.01	$464,542.12	
Net Income from Transportation Operations	**$30,535,373.49**	**$23,358,960.07**	**$7,176,413.42**	
Income from Investments and Sources other than Transportation Operations.				
Income from oil operations in Southern California—net	$4,542,499.41	$3,375,188.42	$1,167,310.99	
Dividends on stocks owned	4,547,965.00	4,794,185.00	------	$246,220.00
Interest on bonds, notes, and equipment trust certificates owned	2,179,417.28	2,809,941.08	------	630,523.80
Income from unfunded securities and accounts	184,450.15	†130,429.90	54,020.25	
Rents from lease of road and equipment	232,838.28	186,039.73	46,798.55	
Miscellaneous rents	348,753.36	335,249.32	13,504.04	
Miscellaneous income	751,178.23	396,226.55	354,951.68	
Total	$12,787,101.71	†$12,027,260.00	$759,841.71	
Total Income	$43,322,475.20	†$35,386,220.07	$7,936,255.13	
Fixed and Other Charges.				
Interest on funded debt	$13,619,757.81	$14,667,353.97	------	$1,047,596.16
Interest on unfunded debt	313,833.21	†221,559.37	$92,273.84	
Miscellaneous rents	13,467.34	52,634.33	------	39,166.99
Miscellaneous charges	517,997.33	998,792.31	------	480,794.98
Total	$14,465,055.69	†$15,940,339.98	------	$1,475,284.29
Net Income from All Sources	**$28,857,419.51**	**$19,445,880.09**	**$9,411,539.42**	

DISPOSITION OF NET INCOME.

		1941.	1940.	Increase.
Dividends on Stock of Union Pacific Railroad Co.:				
Preferred stock:				
2 per cent paid April 1, 1941	$1,990,862.00			
2 per cent paid October 1, 1941	1,990,862.00	$3,981,724.00	$3,981,724.00	
Common stock:				
1½ per cent paid April 1, 1941	$3,334,365.00			
1½ per cent paid July 1, 1941	3,334,365.00			
1½ per cent paid October 1, 1941	3,334,365.00			
1½ per cent payable January 2, 1942	3,334,365.00	13,337,460.00	13,337,460.00	
Total Dividends		$17,319,184.00	$17,319,184.00	
Surplus, Transferred to Profit and Loss		**$11,538,235.51**	**$2,126,696.09**	**$9,411,539.42**

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* No liability for excess-profits tax is indicated for either year.

† Restated; last year income from unfunded securities and accounts and interest on unfunded debt were reported on a net basis as "Interest on loans and open accounts-balance."

Operating results for year 1941 compared with year 1940:

	1941.	1940.	Increase.	De-crease.	Per Cent.
Average miles of road operated	9,878.40	9,901.03	------	22.63	.2
OPERATING REVENUES.					
1. Freight	$180,272,441.59	$136,464,742.10	$43,807,699.49	----	32.1
2. Passenger	21,554,470.79	17,472,731.34	4,081,739.45	----	23.4
3. Mail	6,242,147.18	5,610,065.14	632,082.04	----	11.3
4. Express	2,516,164.16	2,108,051.34	408,112.82	----	19.4
5. Other passenger-train	2,772,333.45	2,434,548.23	337,785.22	----	13.9
6. Switching	2,076,420.96	1,815,185.18	261,235.78	----	14.4
7. Other	2,658,016.11	2,258,934.66	399,081.45	----	17.7
8. Total operating revenues	$218,091,994.24	$168,164,257.99	$49,927,736.25	----	29.7
OPERATING EXPENSES.					
9. Maintenance of way and structures	$26,981,583.33	$17,671,260.28	$9,310,323.05	----	52.7
10. Maintenance of equipment	45,803,175.36	32,718,370.99	13,084,804.37	----	40.0
11. Total maintenance	$72,784,758.69	$50,389,631.27	$22,395,127.42	----	44.4
12. Traffic	5,246,944.91	4,829,000.57	417,944.34	----	8.7
13. Transportation—rail line	71,621,704.87	56,868,021.44	14,753,683.43	----	25.9
14. Miscellaneous operations	4,459,483.23	3,483,992.72	975,490.51	----	28.0
15. General	5,885,002.88	5,378,465.46	506,537.42	----	9.4
16. Total operating expenses	$159,997,894.58	$120,949,111.46	$39,048,783.12	----	32.3
17. Revenues over expenses	$58,094,099.66	$47,215,146.53	$10,878,953.13	----	23.0
†TAXES.					
18. State and county	$9,571,952.45	$9,530,860.00	$41,092.45	----	.4
19. Federal unemployment insurance	2,882,970.13	2,166,191.03	716,779.10	----	33.1
20. Federal retirement	2,883,538.57	2,172,152.56	711,386.01	----	32.8
21. Federal income	2,039,241.51	513,201.86	1,526,039.65	----	297.4
22. Federal capital stock	378,891.50	298,618.90	80,272.60	----	26.9
23. Other federal	28,047.55	12,364.18	15,683.37	----	126.8
24. Total taxes	$17,784,641.71	$14,693,388.53	$3,091,253.18	----	21.0
25. Railway operating income	$40,309,457.95	$32,521,758.00	$7,787,699.95	----	23.9
26. Equipment rents (debit)	9,048,383.48	8,770,354.87	278,028.61	----	3.2
27. Joint facility rents (debit)	725,700.98	392,443.06	333,257.92	----	84.9
28. Net railway operating income	$30,535,373.49	$23,358,960.07	$7,176,413.42	----	30.7
Per cent—Operating expenses of operating revenues	73.36	71.92	1.44	----	2.0
FREIGHT TRAFFIC. *(Commercial Freight only)*					
Tons of revenue freight carried	33,824.223	27,289,316	6,534,907	----	23.9
Ton-miles, revenue freight	18,738,920,553	14,060,393,343	4,678,527,210	----	33.3
Average distance hauled per ton *(miles)*	554.01	515.23	38.78	----	7.5
Average revenue per ton-mile *(cents)*	.962	.971	------	.009	.9
Average revenue per freight-train mile	$5.89	$5.73	$.16	----	2.8
PASSENGER TRAFFIC. *(Excludes Motor Train, other than Streamlined Train)*					
Revenue passengers carried	2,109,885	1,702,678	407,207	----	23.9
Revenue passengers carried one mile	1,283,992,931	1,021,396,602	262,596,329	----	25.7
Average distance hauled per passenger *(miles)*	608.56	599.88	8.68	----	1.4
Average passengers per passenger-train mile	87.52	76.64	10.88	----	14.2
Average revenue per passenger-mile *(cents)*	1.670	1.700	------	.030	1.8
Average revenue per passenger-train mile, passengers only	$1.46	$1.30	$.16	----	12.3
Average total revenue per passenger-train mile	$2.01	$1.88	$.13	----	6.9

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† No liability for excess-profits tax is indicated for either year.

GENERAL BALANCE SHEET—ASSETS.

	December 31, 1941.	December 31, 1940.	Increase.	Decrease.
Investments:				
Road and Equipment	$999,797,915.85	$978,140,726.05	$21,657,189.80	
Less:				
Receipts from improvement and equipment fund	$23,823,091.13	$23,823,091.13		
Appropriations from income and surplus prior to July 1, 1907, credited to this account	13,310,236.52	13,310,236.52		
Total	$37,133,327.65	$37,133,327.65		
701. **Road and equipment property**	**$962,664,588.20**	**$941,007,398.40**	**$21,657,189.80**	
704. Deposits in lieu of mortgage property sold	$14,354,350.47	$36,300.00	$14,318,050.47	
705. Miscellaneous physical property	24,743,053.22	12,923,343.19	11,819,710.03	
Total	$39,097,403.69	$12,959,643.19	$26,137,760.50	
706. **Investments in affiliated companies:**				
Stocks	$19,424,941.91	$20,367,948.91	--------	$943,007.00
Bonds, notes, and equipment trust certificates	6,367,178.12	7,630,078.84	--------	1,262,900.72
Advances	10,970,351.70	19,834,361.04	--------	8,864,009.34
Total	$36,762,471.73	$47,832,388.79	--------	$11,069,917.06
707. **Investments in other companies:**				
Stocks	$63,380,981.35	$75,589,580.01	--------	$12,208,598.66
Bonds, notes, and equipment trust certificates	42,701,494.47	48,429,987.41	--------	5,728.492.94
Total	$106,082,475.82	$124,019,567.42	--------	$17,937,091.60
703. Sinking Funds	$875.00	$700.00	$175.00	
Total Investments	**$1,144,607,814.44**	**$1,125,819,697.80**	**$18,788,116.64**	
Current Assets:				
708. Cash	$36,854,166.07	$40,461,012.17	--------	$3,606,846.10
709. Temporary cash investments	6,000,000.00	--------	$6,000,000.00	
711. Special deposits	897,381.68	2,257,439.91	--------	1,360,058.23
712 Loans and bills receivable	62,399.45	12,992.25	49,407.20	
713. Traffic and car-service balances—net	4,668,622.64	(a) 3,777,798.50	890,824.14	
714. Net balance receivable from agents and conductors	3,619,318.37	1,355,787.60	2,263,530.77	
715. Miscellaneous accounts receivable	7,771,494.19	4,168,353.64	3,603,140.55	
716. Material and supplies	33,648,741.62	24,076,646.12	9,572,095.50	
717. Interest and dividends receivable	916,886.06	703,593.51	213,292.55	
718. Rents receivable	152,159.29	153,877.29	--------	1,718.00
719. Other current assets:				
Baltimore and Ohio Railroad Co. capital stock applicable to payment of extra dividend of 1914	111,531.10	111,715.10	--------	184.00
Miscellaneous items	111.37	482.26	--------	370.89
Total Current Assets	$94,702,811.84	(a) $77,079,698.35	$17,623,113.49	
Deferred Assets:				
720. Working fund advances	$121,090.49	$185,656.05	--------	$64,565.56
722. Other deferred assets	5,811,931.35	6,433,382.73	--------	621,451.38
Total Deferred Assets	$5,933,021.84	$6,619,038.78	--------	$686,016.94
Unadjusted debits:				
723. Rents and insurance premiums paid in advance	$57,642.92	$10,223.56	$47,419.36	
725. Discount on funded debt	604,828.40	636,522.44	--------	$31,694.04
727. Other unadjusted debits	4,760,149.68	2,185,900.79	2,574,248.89	
Total Unadjusted Debits	$5,422,621.00	$2,832,646.79	$2,589,974.21	
Grand Total	**$1,250,666,269.12**	**(a)$1,212,351,081.72**	**$38,315,187.40**	

(a) Restated.

GENERAL BALANCE SHEET—LIABILITIES.

	December 31, 1941.	December 31, 1940.	Increase.	Decrease.
751. **Capital Stock**				
Common stock	$222,302,500.00	$222,302,500.00		
Preferred stock	99,591,580.79	99,593,480.79	--------	(a) 1,900.00
Total Capital Stock	$321,894,080.79	$321,895,980.79	--------	$1,900.00
755. **Funded Debt**	371,643,180.00	346,750,775.00	$24,892,405.00	
Total	$693,537,260.79	$668,646,755.79	$24,890,505.00	
754. **Grants in Aid of Construction**	$9,243,217.26	$8,726,446.06	$516,771.20	
757. **Nonnegotiable Debt to Affiliated Companies**	$7,854,478.28	$8,775,873.48	--------	$921,395.20
Current Liabilities:				
760. Audited accounts and wages payable	$14,700,899.62	$9,427,982.27	$5,272,917.35	
761. Miscellaneous accounts payable	785,193.73	(b) 412,142.11	373,051.62	
762. Interest matured unpaid:				
Coupons matured, but not presented	569,373.01	281,125.51	288,247.50	
Coupons & interest on registered bonds, due first proximo	4,088,396.10	4,003,652.50	84,743.60	
763. Dividends matured unpaid:				
Dividends due but uncalled for	187,360.18	149,292.38	38,067.80	
Extra dividend on common stock declared January 8, 1914, payable to stockholders of record March 2, 1914, unpaid	120,362.07	120,982.70	--------	$620.63
Dividend on common stock payable second proximo	3,334,365.00	3,334,365.00		
764. Unmatured interest accrued	693,055.00	644,930.83	48,124.17	
766. Unmatured rents accrued	276,388.88	276,391.95	--------	3.07
767. Accrued tax liability	9,472,679.45	(b) 7,129,354.83	2,343,324.62	
768. Other current liabilities	953,656.56	(b) 2,361,409.63	--------	1,407,753.07
Total Current Liabilities	$35,181,729.60	(b) $28,141,629.71	$7,040,099.89	
Deferred Liabilities:				
770. Other deferred liabilities	$11,327,557.32	$10,138,542.77	$1,189,014.55	
Unadjusted Credits:				
772. Premium on funded debt	$88,411.73	$91,626.70	--------	$3,214.97
773. Insurance reserve (Reserve for fire insurance)	10,670,484.20	9,931,352.08	$739,132.12	
Reserve for depreciation	133,894,736.27	123,773,963.31	10,120,772.96	
778. Other unadjusted credits:				
Contingent interest	1,900,496.74	4,118,991.21	--------	2,218,494.47
Miscellaneous items	4,467,279.59	900,407.76	3,566,871.83	
Total Unadjusted Credits	$151,021,408.53	$138,816,341.06	$12,205,067.47	
Total Liabilities	**$908,165,651.78**	**(b) $863,245,588.87**	**$44,920,062.91**	
Surplus:				
Appropriated for additions and betterments	$30,840,876.23	$30,812,247.46	$28,628.77	
Reserved for depreciation of securities	34,972,570.88	34,972,570.88		
Funded debt retired through income and surplus	1,674,858.66	1,447,538.66	227,320.00	
Sinking fund reserves	875.00	700.00	175.00	
Total Appropriated Surplus	$67,489,180.77	$67,233,057.00	$256,123.77	
784. **Profit and Loss—Credit Balance**	**235,441,266.83**	**242,302,936.11**	--------	**$6,861,669.28**
Total Surplus	$302,930,447.60	$309,535,993.11	--------	$6,605,545.51
As this consolidated balance sheet excludes all intercompany items, securities of the Los Angeles & Salt Lake Railroad Company and The St. Joseph and Grand Island Railway Company owned by other System companies are not included. The difference between the par and face value of such securities as carried on the books of the issuing companies (less unextinguished discount on the bonds and discount charged to Profit and Loss but added back in cosolidating the accounts) and the amounts at which the securities are carried on the books of the owning companies is set up here to balance	$39,570,169.74	$39,569,499.74	$670.00	
Grand Total	**$1,250,666,269.12**	**(b) $1,212,351,081.72**	**$38,315,187.40**	

(a) Represents 14 shares of First Preferred Stock and 5 shares of Second Preferred Stock of The St. J. & G. I. Ry. Co. purchased by Union Pacific Railroad Co.

(b) Restated to conform with change in Interstate Commerce Commission classification under which traffic and car service balances receivable and payable, formerly stated separately under "Current Assets" and "Current Liabilities," respectively, are now stated on a net basis; accrued tax liability, formerly classified as a "Deferred Liability," is now classified as a "Current Liability," and liability for taxes collected from employes and others, formerly included in "Miscellaneous Accounts Payable" and "Other Current Liabilities," is now included in "Accrued Tax Liability."

EXPENDITURES CHARGEABLE TO INVESTMENT IN ROAD AND EQUIPMENT PROPERTY

Extensions and Branches	$2,835.92
Additions and Betterments (excluding equipment)	5,879,148.81
Equipment	18,912,799.45
Total Expenditures	$24,794,784.18
Credits to investment in Road and Equipment Property:	
Cost of property retired and not replaced	$2,116,084.90
Cost of equipment retired	1,021,509.48
Total Credits	$3,137,594.38
Net increase in investment in "Road and Equipment Property"	$21,657,189.80

Our Reporter's Report

(Continued from First Page)

bond market was not visibly disturbed by the announcement of Secretary of the Treasury Morgenthau that he would market some $4,000,000,000 of new securities during May and June.

On the contrary, the outstanding Treasury issues accepted the news quietly and with only minor variation so far as the price level was concerned. In Government security circles there was no misgiving with regard to the market's ability to absorb the projected new financing.

It was expected in most quarters that the forthcoming undertakings would involve approximately one billion of refunders to take up an approximately equivalent amount of guaranteed issues of the Home Owners' Loan Corporation and the Reconstruction Finance Corporation.

Virginia Public Service

That the investment banking world is hopeful it can proceed with more or less normal business, notwithstanding the Government's huge program, was indicated by reports that the projected financing of the Virginia Public Service Co. is up for renewed discussion.

As corporate undertakings go this business is sizable, calling for the sale of $26,000,000 of first mortgage bonds due in 1972 and carrying a 3¾% coupon, and $10,500,000 of sinking fund debentures carrying a 5% rate and maturing in 1957.

At least two banking groups are said to be interested in bidding for this financing when, as and if the company decides to go through with its proposals.

American Tobacco 3s

Presumably a smattering of the $100,000,000 of 20-year debentures of the American Tobacco Co., brought out last week, are finding their way back to market.

On the day of offering this issue commanded sizable premiums over the issue price of 100, having been reported traded as high as 101⅜, later settling back around 100¼.

In the last day or two, however, scattered offerings have made their appearance, according to market observers, with the result that the debentures, sold at par, are evidently being absorbed by the syndicate's bids.

The high quality investment character of these debentures is such that these isolated offerings should readily be absorbed by discerning portfolio managers.

Stock Offerings Continue

After the market offerings of blocks of listed stocks are helping to keep the investment banking fraternity occupied in lieu of new bond issues.

One firm brought out 3,500 shares of Aluminum Co. of America preferred the other day, and within a comparatively short time reported that the entire block had been sold.

Another firm was reported offering 6,000 shares of American Cyanamid class B stock, for which it was assumed a favorable market could be obtained.

Faces Coffee Surplus

Venezuela is faced with an unprecedented carry-over of coffee at the end of the current coffee year if the crop reaches the estimated 650,000 bags and both the United States and Argentina take the greatly reduced quantities which are anticipated under quota, market and prospective shipping conditions, according to a report to the Department of Commerce made public April 24. The Department's announcement also says:

> Exports of coffee from Venezuela to Europe in 1935 accounted for 72% of the total shipments during the year. By 1940 shipments to Europe accounted for only 12% of the total coffee export trade and at the present time that area is entirely eliminated as a market.
>
> Coffee constitutes the second largest agricultural crop of Venezuela in point of value and is the outstanding export crop of the country. The position of coffee in the domestic economy is thus an important one.

March Building Permit Valuations Are Down

March building permit valuations showed a decline of 1% as compared with the corresponding month of 1941, Secretary of Labor Frances Perkins reported on April 25. "The decrease was brought about by a falling off of 13% in indicated expenditures for new residential building and of 3% in value of additions, alterations, and repairs," she said. "There was an increase of 19% in the value of new nonresidential building." Secretary Perkins further stated:

> As compared with February, March permit valuations showed a contra-seasonal decline of 20%. Indicated expenditures for new residential building showed a decline of 13% while new nonresidential showed a drop of 34%. In contrast, an increase of 28% was shown by permit valuations for additions, alterations, and repairs to existing buildings.
>
> During the first quarter of 1942, permits were issued in reporting cities for buildings valued at $624,217,000, an increase of 4% as compared with the corresponding period of 1941. Permit valuations for new residential buildings during the first 3 months of the current year amounted to $281,076,000, a loss of 6% as compared with the corresponding period of the preceding year. Over the same period new nonresidential building showed a gain of 18% and additions, alterations, and repairs a decline of 1%.

From the Labor Department's announcement we also quote:

> The Bureau's tabulations of permit valuations include contracts awarded by Federal and State Governments in addition to private and municipal construction. For March 1942, Federal and State construction in the 2,533 reporting cities totaled $67,163,000; for February 1942, $167,437,000, and for March 1941, $45,802,000.

Changes in permit valuations in the 2,533 reporting cities between March 1942, February 1942, and March 1941 are summarized below:

Class of Construction—	Change from March, 1941, to March, 1942: All Cities	Change from March, 1941, to March, 1942: Excluding N. Y. City
New residential	—13.2%	—11.1%
New non-residential	+18.5%	+20.8%
Additions, alterations & repairs	— 2.7%	+ 0.6%
All construction.	— 1.0%	+ 1.5%

Class of Construction—	Change from February, 1941, to March, 1942: All Cities	Change from February, 1941, to March, 1942: Excluding N. Y. City
New residential	—13.4%	—14.1%
New non-residential	—34.2%	—35.2%
Additions, alterations & repairs	+28.0%	+29.7%
All construction.	—20.4%	—21.4%

Comparisons of permit valuations in cities reporting for the first quarter of 1941 and 1942 are shown in the following table:

Class of Construction—	Change from First 3 Months of 1941 to First 3 Months of 1942: All Cities	Change from First 3 Months of 1941 to First 3 Months of 1942: Excluding N. Y. City
New residential	— 6.0%	+ 0.4%
New non-residential	+18.4%	+19.2%
Additions, alterations & repairs	— 1.3%	+ 5.4%
All construction.	+ 3.8%	+ 8.4%

New housekeeping dwellings for which permits were issued in the 2,533 reporting cities in March 1942, will provide 28,,695 dwelling units, or 17% less than the 34,480 dwelling units reported in the previous month, and 8% fewer than the number provided in March, 1941. Dwelling units in publicly financed housing projects included in these totals numbered 2,554 in March, 1942, 14,483 in February, 1942, and 3,073 in March, 1941.

Principal centers of various types of building construction for which permits were issued or contracts were awarded in March 1942, except those awarded by the War and Navy Departments, Maritime Commission, and the Defense Plant Corporation which have been excluded because of their confidential nature, were: West Hartford, Conn., factories to cost $1,048,000; New York City—Borough of Brooklyn, multifamily dwellings to cost $1,452,000 and factories to cost $1,070,000, Borough of Queens, factories to cost $690,000; Chester, Pa., 1-family dwellings to cost $2,500,000; Lower Merion Township, Pa., 1-family dwellings to cost $674,000; Norwood, Pa., 1-family dwellings to cost $871,000; Philadelphia, Pa., 1-family dwellings to cost $1,396,000; Upper Darby Township, Pa., 1-family dwellings to cost $1,558,000; Chicago, Ill., 1-family dwellings to cost $2,289,000 and factories to cost $646,000; Dearborn, Mich., 1-family dwellings to cost $1,014,000; Detroit, Mich., 1-family dwellings to cost $6,595,000; Akron, Ohio, 1-family dwellings to cost $931,000; Cleveland, Ohio, factories to cost $823,000; Columbus, Ohio, 1-family dwellings to cost $608,000; West Allis, Wis., a factory to cost $600,000; Wichita Kans., 1-family dwellings to cost $1,550,000 and multifamily dwellings to cost $696,000; Washington, D. C., multi-family dwellings to cost $1,812,000 and public buildings to cost $3,084,000; Baltimore, Md., 1-family dwellings to cost $630,000 and factories to cost $1,040,000; Norfolk, Va., 1-family dwellings to cost $611,000; El Paso, Tex., water-treatment plant to cost $699,000; Fort Worth, Tex., 1-family dwellings to cost $657,000; Houston, Tex., 1-family dwellings to cost $909,000; Los Angeles, Calif., 1-family dwellings to cost $1,073,000, multifamily dwellings to cost $3,144,000 and factories to cost $1,750,000; San Diego, Calif., schools to cost $715,000; San Francisco, Calif., 1-family dwellings to cost $868,000, and Seattle, Wash., 1-family dwellings to cost $948,000.

Contracts were awarded during March for the following publicly financed housing projects containing the indicated number of dwelling units; Springfield, Mass., $1,074,000 for 300 units; New York City, $2,030,000 for 342 units; Allentown, Pa., $374,000 for 104 units; Bethlehem, Pa., $856,000 for 202 units; Connellsville, Pa., $615,000 for 150 units; New Albany, Ind,. $74,000 for 18 units; Detroit, Mich., $974,000 for 210 units; Wilmington, Del., $833,000 for 200 units; Rockledge, Fla., $233,000 for 80 units; Tarrant City, Ala., $134,000 for 48 units, and Seattle, Wash., $3,096,000 for 900 units.

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Tomorrow's Markets Walter Whyte Says—

(Continued from page 1693)

market, they are acting well. How long they will continue to do so, is another question. I don't think they can go up by themselves in the face of a general decline. The best they can do under such conditions, is to stand still.

* * *

Without knowing how Congress will act, I would venture to say, that once the problem of taxes is ironed out, the market will have stabilized and adjusted itself to the new program and will act accordingly.

* * *

Here and there signs appear that the stabilization program is not so far away as one thinks. If the majority of stocks manage to keep above Tuesday's lows, the stabilization idea will have gained new stimulus.

W. F., St. Louis, Mo.—Sorry, I can't help you with Gar Wood. I'm not familiar with its market history.

More next Thursday.

—Walter Whyte.

[The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.]

Our Reporter On "Governments"

(Continued from First Page)

(1) A definite indication that short-term securities are to be sold to commercial banks in large quantities over the next two years. . . .

(2) A hint that shifting of some of your short-term holdings to long-terms may be smart policy because you'll get plenty of short-terms later. . . .

(3) A suggestion that short-term interest rates may harden slightly (but not enough to hurt the long-term market) as the total of short-terms outstanding increases. . . .

There you have it—a combination of news interpretation, fundamental policy determination and forecasting. . . . If you can find the logical fallacy in this story, go ahead and tell your board not to do anything with the maturity distribution of your portfolio at the moment. . . . If you can't, take some action and see how it turns out. . . . We'll wager you'll discover you've acted wisely and in time. . . .

Following Advice—

There doesn't seem to be any disagreement among any of the key authorities on the advisability of selling short-terms to commercial banks. . . . Consider the statistics.

As of June 30, the Federal Reserve member banks are expected to be holding $22,600,000,000 U. S. Government obligations, as compared with $18,100,000,000 June 30, 1941. . . . As of June 30, 1943, holdings of the member banks are expected to total $36,500,000,000. . .

The American Bankers Association's Policy Commission estimates that public financing must total $18,800,000,000 in the 1942 fiscal year and $33,600,000,000 in the 1943 fiscal year. . . . (In studying these figures, remember that the Commission's members are leading American bankers and that they have worked in close cooperation with Treasury representatives. You may consider them as official, therefore, and allow only a normal margin of error in calculating the future). . . .

It is inconceivable that the Treasury would expect the commercial banks to absorb 40% of the increase in the publicly-held debt over the next fiscal year in long-terms. . . . It is inconceivable that Secretary Morgenthau would ignore the advice of those closest to the situation—especially when that advice fits in neatly with the opinions of Government experts. . . . So, look for formulation of a clear policy on the part of the Treasury soon, aimed at placing short-terms in your portfolios and at placing (1) longer-terms in insurance company portfolios; (2) intermediates or very-shorts in corporate portfolios; war bonds in individual portfolios.

Inside The Market

Whether the ABA's suggestion for maturity preference in the one to 10-year category is accepted or whether the recommendation of other bankers for favoring of the one to five-year category is accepted seems of minor importance. . . . Big point is the average will be around five years. . . . And dealers are wondering whether banks are re-arranging their portfolios to fit in with this prospect. . . .

In case you're doubtful about U. S. Government's ability to keep interest rates where Treasury and Federal Reserve Board want them, consider the fact that on and after May 1, the British Chancellor of the Exchequer proposes to issue a new loan of war-savings bonds, carrying 3% interest, due in 1970 and priced at par. . . . Present issues are due in 1955-66. . . . Any banker want to argue the relative financial positions of England and America? . . .

If you have cash and don't want to take any changes with it over the next few weeks, you might consider investing in these for the time being. . . .

Talking about refunding, Government maturities in the next 12 months total $4,100,000,000 and include Treasury notes, discount bills and the new certificate of indebtedness issue. . . .

Traders report best market interest still is in tax-exempts. . . . Reveal this section of the market is holding better than the taxable list. . . .

Life insurance company purchases of Government bonds so far this year total nearly $300,000,000, against less than $200,000,000 in the same 1941 period. . . .

Railroad Securities

(Continued from page 1693)

lieved particularly well situated for sugar coming from Cuba. As there is no indication of a possible change in this shipping situation it seems reasonable to assume that the company's business will continue at peak levels at least so long as the war lasts. Admittedly, this prospect it apt to keep alive the recent increased speculative interest in the bonds.

Fundamentally, however, and on a long-term basis, there appears to be little question but that the bonds are at least adequately priced. Strictly war-induced earnings will hardly warrant a more liberal reorganization plan by the Commission. Under the final plan, recently released, holders of the subject bonds are to receive only $100 in new income 4½s, and 10 shares of new common. It is believed likely that the income bond interest will be supporable in all but severe depression years, but earnings on the new common will be highly erratic. Substantial earnings are not likely except in periods of real prosperity. Judging by the present market levels of other reorganization securities, the new incomes might sell at 40 while a price of 5 would appear liberal for the common unless some interests should desire to bid for control. Taking these theoretical values for the new securities, the present 5s would be worth 9. To this might possibly be added 2½ points if the interest request is granted, and there is no corresponding reduction in the proposed allocation of new securities.

FIC Banks Place Debs.

The Federal Intermediate Credit Banks on April 16 made a successful placement of $48,260,000 debentures through Charles R. Dunn, New York, fiscal agent for the banks. Of the total amount $42,260,000 were sold publicly at par, of which $16,645,000 dated May 1, 1942 and due Nov. 2, 1942, carries a coupon rate of 0.65% and $25,615,000, dated May 1, 1942 and due Feb. 1, 1943, bears a coupon rate of 0.75%. The other issue of $6,000,000 carrying a coupon of 0.50% and maturing Aug. 1, 1942, was sold privately on a 0.40% basis. Of the proceeds of the sale $38,540,000 will be used to pay off a like amount of debentures due May 1 next and $9,720,000 is for new money. At the close of business May 1 the banks will have outstanding $296,755,000 debentures, an all time high.

UP-TOWN AFTER 3

NEW MOVIES

"Saboteur" (Universal), an Alfred Hitchcock production, with Priscilla Lane and Robert Cummings. . . . An exciting and enthralling adult movie about a young man suspected of setting fire to a defense plant, who is arrested, escapes and ends up by capturing, not only the actual saboteur, but uncovering the hidden ringleaders as well. The story has its share of heroics but Mr. Hitchcock has welded a yarn together that has a ring of authenticity. The subject—sabotage directed from high places; the scenes—beginning in California and coming across the country to New York, are all woven together into a believable pattern. The final shots of the chase that begins in New York's Radio City Music Hall and ends in the capture of the saboteur in the crown of the Statue of Liberty, will keep you on tenterhooks. . . . **"In This, Our Life" (Warner), Bette Davis, Olivia de Havilland, George Brent, Dennis Morgan.** . . . Social consciousness has come to Warner's with a bang. First it laughs off the red bogey in "Male Animal;" then it takes the side of the share croppers in "Juke Girl," and now it comes up with its version of "In This Our Life" and talks right out about the Negro and his troubles in a world ruled by the white man. True, this is not the primary object of the story, still it's an integral part of the saga of the Timberlakes, a family that has come down in the world due mainly to the financial machinations of Mrs. Timberlake's brother. The family consists of four people: two daughters, Stanley, an irascible headstrong selfish girl; Roy, the gentle thoughtful daughter, married and in love with her surgeon husband; the father, a meek unassuming little man, and the mother, a hypochondriac. Stanley, on the eve of her marriage, runs off with her sister's husband. The subsequent divorce and marriage ends in her husband's suicide. Stanley returns home restless and selfish as ever but the family, including her sister, forgive her. Meanwhile, Roy and her sister's ex-fiance have reached an understanding, a condition that Stanley tries to break up. In a fit of rage Stanley drives too fast, and has an accident and kills a child. Panic stricken, she runs off and blames the accident on Parry Clay, a young Negro, who studies law in his spare time and is a handy man during the day. John Huston, who directed the Maltese Falcon, does a splended job in this picture. All in all, it's a fine movie with an excellent cast in the leading as well as in the supporting roles. A particular bit of outstanding work is turned in by Ernest Anderson, the Negro boy. . . . **"Moontide" (20th-Fox), Jean Gabin, Ida Lupino, Thomas Mitchell, Claude Rains.** . . . A slow-moving yarn about waterfront people, their lives, loves and philosophies. Gabin, in his first American picture, is a rugged two-fisted odd job waterfront laborer. He saves a girl from suicide, falls in love and marries her. His buddy resents the new wife and one night while Gabin is away breaks into the cabin. An accident occurs and the girl's back is broken. Gabin returns, rushes her to the hospital and then goes hunting for the man. The photography is magnificent. Angle shots and soft foggy eerie effects dominate. It is an interesting picture, but not the tremendous thing claimed for it. Gabin is effective as a rough hewn thick haired bundle of masculinity. Miss Lupino, in an actor proof part, is capable as always. Claude Rains, as the philosopher, is excellent. Thomas Mitchell, as the sadistic brute, does a good job.

THEATRE—"Porgy & Bess" has been playing at New York's Majestic Theatre since last January. But with one thing and another I just got around to seeing it. It's George Gershwin music at its best. The singing of Ann Brown and Todd Duncan is beautiful to hear. It belongs at the top of any entertainment list.

RESTAURANT—Theodore's (4 E. 56th), that pleasant, softly lighted room is doing a turnaway business these days. Its food, for the price (dinner, $1.65) is as good as ever. But if you plan to eat there before theatre better phone ahead and make reservations. Though a large room, at eight in the evening, it's jammed to the doors. **AFTER-THEATRE.** . . . The gorgeous **Rainbow Room**, 65 floors above Radio City, is still one of the town's show places. The view is breathtaking and if you're tired of it you can always dance to Leo Reisman's music or to Clemente's rhumba rhythms. Current show consists of Helen Tamaris, assisted by Ida Soyer and Daniel Nagrin in dance interpretations of American themes; Billy de Wolfe, whose satirical sketches of night club m. c.'s, frustrated actors, cocktail bar denizens, etc., keep the place in an uproar. For the duration the dress obligatory rule has been lifted, but most of the people here wear dinner clothes, so guide yourself accordingly. . . . **ABOUT-THE-TOWN.** . . . The Banshees "Carnival Street," for the benefit of the Naval Relief Society, May 12, at the Waldorf-Astoria, promises to be the fun event of the month. . . . Myrna Loy, at Jimmy Dwyer's Sawdust Trail, being protected from autograph hunters by six volunteer soldier guards. . . . At El Chico, aristocrat of Spanish night clubs with one of its best shows in years. . . . Frank Buck argues amiably with a parrot in Spanish and is stumped when the bird resorts to Portuguese. . . . Russell Swann who started out as a customer's man and now is a top flight magician and comic, has ten pages devoted to his life in one of those comic magazines the kids bring home and you throw out. . . . Don Loper and Maxine Barrat astride a tandem bike pull up in front of El Morocco and give the doorman the jitters—he knows all about opening taxi doors but from bikes he don't know nothing. . . .

Moyer With Merrill Co.

PHILADELPHIA, PA.—Walter R. Moyer has joined Merrill Lynch, Pierce, Fenner & Beane, Commercial Trust Building, as manager of the bond department of the Philadelphia office. In the past Mr. Moyer was in charge of the statistical department for McMillan, Rapp & Co.

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Detail Status Of Foreign Dollar Bonds

The Foreign Bondholders Protective Council, Inc., New York, in issuing its 1940 report on April 27 stated that of the 40 countries having foreign dollar bond obligations outstanding at the end of 1940 in the amount of $5,340,701,396, there were 42.8% in default as to interest, sinking fund, or principal, as compared with 39.6% at the end of 1939. This increase is due largely to new European defaults — Belgium, Italy, Lithuania and additional defaults in Greece, Poland, and Yugoslavia—which increased to 75% in 1940 from 58.2% in 1939. Defaults in Latin American dollar bonds increased to 77.4% from 77.2% during the same period. The Council's announcement says:

"Computations show that of the $2,286,717,548 principal amount of dollar bonds in default at the end of 1940, $1,499,110,588, or 65% were national issues, 16% were State issues, 9% were Municipal issues, and 10% were corporate guaranteed.

The following table shows defaults grouped according to areas:

	Outstanding	In Default	% In Default
Latin America	$1,571,227,804	$1,216,099,852	77.4
Europe	1,293,965,815	970,603,872	75.0
Far East and Africa	553,299,512	11,427,512	2.1
Canada	1,922,208,265	88,586,312	4.6

"The report shows that on the long-term settlements negotiated and recommended by the Council on 25 issues, the average annual interest return has been approximately 4.3%, the sinking fund 1.2%, or a total service of 5.5% per annum.

"At the end of 1940 full interest payments were made on 25% of the Latin-American dollar bonds and on 25% of European dollar bonds, while 95% of the outstanding Canadian dollar bond issues were paying interest in full, as well as 98% of the bonds of the Far East, Australia and Africa.

"Partial interest payments were made on less than 4% of Latin American bonds, 16% of European bonds, and 5% of Canadian bonds.

"No interest payments whatever were made on 70% of Latin American bonds, on 50% of European bonds, on 2% of Far Eastern bonds, and on less than .005% Canadian non-Dominion bonds.

"The following table shows by areas the percentage of outstanding dollar bonds with respect to interest payments (based upon treatment of last coupon maturing in 1940):

	Full Cash Payment %	Partial Payment %	Payment in Currency Other Than U. S. Dollars %	No Payment %
Latin America	25.54	3.75	---	70.71
Europe	25.35	15.60	9.23	49.82
Far East and Africa	97.93	---	---	2.07
Canada	95.391	4.604	---	.005

Foreign dollar bonds upon which the principal is past due and unpaid are distributed as follows:

Latin America	$90,151,364
Europe	89,680,800
Far East	388,000
Canada	639,404
	$180,859,568

Details as to Latin American and European payments and defaults are supplied as follows by the Council.

"In Latin America, **Argentina** continued to serve its national dollar bonds in full, with the Readjustment bonds of the Provinces of Buenos Aires, Mendoza, and Santa Fe also meeting full service, while Province of Cordoba paid interest in full but continued in default on sinking fund. Certain City of Cordoba 1957 bonds have received some interest, but not for current coupons, and the 1937 issue was completely in default. **Bolivia** has been in default on its publicly offered dollar bonds since 1931. **Brazil**, under its four year plan of Decree 2085 of March 8, 1940, offered interest payments at about 22% of the contract rates or from less than 4/5ths of 1% on certain issues in Grade VII to 3½% on one issue in Grade II. However, the State of Rio de Janeiro has never made any payments under this Decree, and 3 other obligations are in arrears. **Chile** continues to offer interest at approximately 1½% per annum under the plan of its Law 5580, but suspended bond redemptions by Decree 3753 of Dec. 3, 1940 and transferred under that decree sums up to $6,000,000 from the amortization account for other purposes. Further transfers from this amortization account have since been made. **Colombia** followed its temporary offer of 50% interest payments in 1940 with an offer of 3% bonds for the two 6% issues, and scrip for half of the back interest. To the end of 1941 less than 46% had accepted the exchange offer. Departmental, Municipal and Guaranteed Obligations of Colombia continued in complete default, with the exception of Barranquilla, where payments were made on the 4% issue only. **Costa Rica** continued to make current interest payments at 30% of the contract rate with back interest at 1% per annum, as provided for in its temporary plan of March 20, 1939. In **Cuba** only those bonds of the Public Works 5½% issue which had not been exchanged for new 4½% Bonds continued in complete default. **Dominican Republic.** Under the new Convention of Sept. 24, 1940, the General Receivership of Dominican Customs ceased to operate. **Ecuador**, which defaulted on sinking fund payments as early as 1908 and 1910, continues in complete default. **El Salvador.** No change occurred in 1940, all of the bonds continuing in complete default. **Guatemala** is paying full service on one loan, and 50% on account of the contract interest on another. **Haiti**, while continuing to pay full interest, has been in default on sinking fund since Jan. 1, 1938. **Mexico** continued in complete default on national, railway, and State issues. **Panama** made an offer of 3¼% bonds for the 5% issue, and 3% bonds for the 5% Arrears Certificates. Also new 3½% bonds were floated early in 1941, the proceeds being used to retire the 5½% loan. Bonds of the National Bank and of the City of Panama continue in default. **Peru.** No payments were offered during the year on National, State, or Municipal issues. **Uruguay** is meeting full service on its Readjustment and Conversion Bonds. Only the unexchanged bonds of the Government and the City of Montevideo remain in default.

"In Europe, **Belgium** continued to meet its full service from funds frozen in the United States following the invasion in May of 1940, but bonds of the City of Antwerp defaulted during the year. **Bulgaria**, which had been making 40% payments on account of interest, defaulted completely before the end of 1940. **Czechoslovakia** defaulted on Republic sinking fund payments in 1939, and on interest in 1940 following the occupation by Germany. **Danzig.** No payments have been made on these bonds since the German occupation in 1939. **Denmark** continued to meet full service on its National, Municipal and Corporate guaranteed dollar bonds, utilizing for that purpose funds frozen in the United States. **Estonia** met its full service to and including July 1940, but defaulted thereafter. **Finland** continued to meet full service on its Republic, Municipal and Corporate guaranteed bonds. **France** continued to pay full debt service. **Germany** paid interest on the Dawes 7% and the Young 5½% loans during 1940 and the first half of 1941, at 5% and 4% respectively, and made full payment to and including Jan. 1, 1941 on the 3% bonds of the Conversion Office. Non-Reich bonds continued in complete default. **Greece.** Interest payments on the League loans were increased during 1940 from 40% to 43%, and maintained at that rate to and including the Feb. 1, 1941 coupon, when complete default occurred. Bonds of the Athens Waterworks have received payment at a reduced rate. **Hungary.** Interest on the 4½% bonds of the Kingdom was paid in full, but sinking fund payments, scheduled to start on those bonds in August 1940, had not been met. Non-State bonds were offered interest through the Cash Office for Foreign Credits at the reduced rate of 1¾% per annum. **Ireland** continued to pay full service. **Italy**, which had heretofore paid full service, defaulted completely during 1940 on bonds of the Kingdom, the Cities of Milan and Rome, and on Corporate obligations. **Lithuania.** Interest due July 1940 was paid at a reduced rate, but the following year went into default. **Norway** continued to meet full service on its National, Departmental, Municipal and Corporate guaranteed issues. **Poland.** Following German and Russian occupation, defaults occurred under the Readjustment plans in the latter part of 1939 and early in 1940. **Rumania** continued in complete default, with no payments to American bondholders since February 1937 coupons. **Russia** has made no payments on its dollar bonds since default in 1919. **Yugoslavia**, which had been paying full service on its funding bond issues of the Kingdom and the Mortgage Bank, continued to do so during 1940, but defaulted the early part of the following year.

"In other parts of the world, **Australia** continued full interest service, but made no sinking fund payments during the year. Payment of both interest and sinking fund were made in full on the State, Municipal and Corporate guaranteed issues. **China.** The Readjustment bonds went into default in 1939. On Jan. 15, 1939 the Chinese Government stated it must reluctantly announce it could no longer provide service for these bonds in view of the Japanese interference with the pledged revenues. **Japan** maintained full service on all its dollar bonds through 1940. **Liberia.** Interest on the 7% issue, held entirely by one Company, was paid at the reduced rate of 5%. **Canada** met full service on its Dominion issues, but there were defaults in the Province of Alberta and on the Alberta guaranteed issues, and in the Municipalities of St. Boniface and Weyburn. Other Provincial and Municipal dollar bond obligations have been paid in full."

Electric Energy Output

The production of electric energy for public use during the month of March, 1942, totaled 14,778,578,000 kwh. according to reports filed with the Federal Power Commission. This represents an increase of 12.9% when compared with March, 1941.

The average daily production of electric energy for public use for March was 513,145,000 kwh. This is a decrease of 3.2% when compared with the average daily production during the month of February, 1942.

The production by water power in March amounted to 5,585,109,000 kwh., or 37.8% of the total output for public use. The average daily production by water power during March reached an all-time high at 193,927,000 kwh.

Total production for public use for the 12-month period ending March 31, 1942, was 170.458,811,000 kwh. as compared with a production of 146,510,077,000 kwh. for the 12-month period ending March 31, 1941, representing an increase of 16.3% over the previous period.

Reports were received during April 1942, indicating that the capacity of generating plants in service in the United States on March 31, 1942 totaled 44,728,408 kilowatts. This is a net increase of 316,242 kilowatts over that previously reported in service on Feb. 28, 1942. Occasionally changes are made in plants which are not reported promptly so that the figures shown for any one month do not necessarily mean that all the changes were made during that month but that they were reported to the Commission since the previous monthly report was issued, the Commission's report, dated April 20 stated.

Coal consumption by electric power plants was 5,236,353 tons in March, 1942, which is a decrease of 128,353 tons from the February consumption, and an increase of 303,639 tons or 6.2% over the consumption for March, 1941. Of this total 5,019,043 tons were bituminous coal and 217,310 tons were anthracite. This is a decrease of 2.6% in the consumption of bituminous coal and an increase of 3.1% in the consumption of anthracite when compared with the preceding month which had three less days.

The consumption of fuel oil during March, 1942, totaled 1,307,697 barrels as compared with 1,531,607 barrels during February, 1942, or a decrease of 14.6%. During the same interval the consumption of gas increased to 15,516,833 MCF in March from 14,731,039 MCF in February, representing an increase of 5.3%.

THE BALTIMORE AND OHIO RAILROAD CO.

SUMMARY OF ANNUAL REPORT FOR YEAR 1941

The annual report of the President and Directors of the operations of the Company for the year 1941 is being mailed to its shareholders. The report shows that the gross earnings for the year were the largest for any year since 1929.

RESULTS OF OPERATIONS

The audited income account of the Company in comparison with 1940 is summarized as follows:

	1941	1940	1941 Increase Over 1940
Railway operating revenues	$227,503,021.56	$179,175,464.63	$48,327,556.93
Railway operating expenses	160,918,417.51	132,600,798.97	28,317,618.54
Net railway operating revenue	$ 66,584,604.05	$ 46,574,665.66	$20,009,938.39
Railway tax accruals	15,780,105.71	11,645,694.99	4,134,410.72
Railway operating income	$ 50,804,498.34	$ 34,928,970.67	$15,875,527.67
Equipment and joint facility rents—Net debit	4,507,373.81	4,310,439.38	196,934.43
Net railway operating income	$ 46,297,124.53	$ 30,618,531.29	$15,678,593.24
Other income	8,306,748.01	8,244,714.20	62,033.81
Total income	$ 54,603,872.54	$ 38,863,245.49	$15,740,627.05
Miscellaneous deductions	2,004,180.92	1,688,203.37	315,977.55
Income available for interest and other charges	$ 52,599,691.62	$ 37,175,042.12	$15,424,649.50
Fixed interest and other fixed charges	20,141,033.67	20,265,210.33	*124,176.66*
Income available for other purposes	$ 32,458,657.95	$ 16,909,831.79	$15,548,826.16
Contingent interest charges	11,366,775.00	11,360,335.00	6,440.00
Net audited income	$ 21,091,882.95	$ 5,549,496.79	$15,542,386.16

In this statement there are included as deductions before arriving at net audited income, the full amount of fixed and contingent interest on the total interest bearing indebtedness of the Company accruing within the periods shown.

AVAILABLE INCOME AND APPLICATION UNDER MODIFICATION PLAN

The statement shows that for the year 1941 there was $52,599,691.62 of audited income available for the payment of interest and other charges. Under the Plan for Modification of Interest Charges and Maturities of August 15, 1938, as incorporated in the supplemental indentures of January 1, 1940 to the affected obligations, an adjustment is made in this amount for cash transactions pertaining to the income of former years. This increased the amount of income available for the payment of interest and other charges to $52,644,114.86. From this is first deducted $1,057,688.32 for rent for leased roads and equipment and $19,083,345.35 for interest remaining fixed under the Plan, or a total of $20,141,033.67, leaving remaining available net income of $32,503,081.19. From this available net income the Board of Directors in the exercise of their delegated discretion appropriated $5,690,337.39 for capital fund to be applied to or to reimburse the Company's treasury for capital expenditures. They further appropriated $22,073,407.69 providing for the payment of all accumulated and unpaid contingent interest accrued to December 31, 1941. From the then remaining available net income, 75%, or $3,554,502.08, was appropriated for sinking fund, leaving available balance of $1,184,834.03 for other corporate purposes. (The Plan provides that from 1939 to 1943, 75%, and thereafter 50%, of the Available Net income remaining after the payment of all contingent interest charges, is to be set aside in the Sinking Fund until $100,000,000 par value of secured obligations of the Company is retired.)

The payment of contingent interest authorized by the Board of Directors will be made against the surrender of contingent interest coupons of May 1, 1942, appurtenant to all bond issues affected by the Plan, and the supplemental indentures relating thereto and to facilitate collection the coupons of May 1, 1942, may be presented for payment on or after April 10, 1942.

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There was a net increase of $3,788,010.17 in outstanding interest bearing obligations incurred during the year, due principally to the issue of equipment trust obligations.

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The total expenditures during the year for additions and betterments to road property aggregated $3,773,277.77.

During the year four new and additional Diesel passenger locomotives were acquired and placed in service, and to provide adequately for the transportation of material so vital to National Defense, 4,763 new and additional freight cars were acquired, consisting of 1,563 steel box cars, 2,050 steel gondolas and 1,150 steel hopper cars.

The Company also acquired and placed in service four passenger-train cars, eight barges and scows, twenty-five units of automotive equipment and four units of work equipment. The Company built in its own shops fifty new caboose cars and rebuilt and modernized five locomotives, two passenger-train cars, thirty-six freight-train cars, one unit of floating equipment and one unit of work equipment. The total cost of the equipment acquired together with additions and betterments to existing equipment, aggregated $17,080,698.55. During the same period there were retired for obsolescence and other causes, eleven steam locomotives, three passenger-train cars, 205 freight-train cars, and thirty-six units of miscellaneous equipment, having a total book value of $1,065,351.44 which deducted from the total cost of equipment installed during the year makes a net increase in capital account of equipment of $16,015,347.11.

In addition to the cars delivered and placed in service during the year, 687 additional cars were under contract and have since been delivered. The Company has authorized the acquisition of the following new and additional equipment for 1942 delivery, viz.: two multiple-unit Diesel passenger locomotives, six multiple-unit Diesel freight locomotives, 1,000 steel box cars and 1,000 steel hopper cars at an aggregate cost of approximately $9,500,000.

* * * * * *

Based on 1941 volume of traffic, it is estimated that on an annual basis the increases in rates, fares and charges authorized by the Interstate Commerce Commission, will produce $10,500,000 additional revenues, as compared with the increase recommended by the Mediation Board appointed by the President of the United States, of $14,250,000 in wages and taxes incidental thereto, and nothing for increases in cost of materials and supplies and other taxes.

* * * * * *

Railway tax accruals in 1941 aggregated $15,780,105.71, to which should be added miscellaneous tax accruals of $433,577.45, making total taxes for the year $16,213,683.16, an increase over 1940 of $4,432,316.98, or 37.62%. Of railway tax accruals, $6,471,098 was levied by States and local taxing agencies, and the remainder, or $9,309,008, was taxes due the United States, of which $6,194,708 were pay-roll taxes for unemployment insurance and retirement, and $2,808,192 income taxes, the remainder being of miscellaneous character. Railway tax accruals in 1941 absorbed approximately seven cents of each dollar of total operating revenues and approximately twenty-four cents of every dollar of net operating revenue against which these taxes are a first charge.

R. B. WHITE, President

Calendar of New Security Flotations

OFFERINGS

THE AMERICAN TOBACCO CO.

The American Tobacco Co. filed a registration statement with the SEC for $100,000,000 of 20-year 3% debentures, due April 15, 1962.

Address—111 Fifth Ave., New York, N. Y.

Business—Company and its subsidiaries are engaged in business of manufacturing and selling cigarettes, smoking and chewing tobaccos, and cigars. Principal product of company is "Lucky Strike" cigarettes

Underwriters, and principal amount underwritten by each, were listed in the "Chronicle" April 23, page 1621.

Offering—The debentures will be offered to the public at 100 according to amendment to registration statement

Proceeds from sale of the debentures, together with other funds of company to the extent necessary, are to be applied to payment of the outstanding $12,977,000 of 2.45% serial debentures, due serially to 1948, the outstanding $16,000,000 of 2% notes payable to banks, due serially to 1945, and the outstanding short-term notes payable to banks aggregating $75,500,000 as of April 10, 1942, thus positioning company for purchases of its requirements of leaf tobacco

Registration Statement No. 2-4985. Form A-2 (4-10-42)

Registration effective 5 p.m. E.W.T. on April 23, 1942.

Offered April 24 at 100 and interest by a syndicate headed by Morgan Stanley & Co., Smith, Barney & Co., The First Boston Corp., Mellon Securities Corp.

WASHINGTON GAS LIGHT CO.

Washington Gas Light Co. filed registration statement with the SEC for 40,000 shares of $5 cumulative preferred stock, no par

Address—411 Tenth St., N. W., Washington, D. C.

Business—Company and its subsidiaries are engaged in manufacturing, purchasing, distributing and selling gas for cooking, heating, refrigeration and other purposes within the metropolitan area of Washington, D. C.

Offering—The 40,000 shares $5 preferred stock will first be offered for subscription to company's common stockholders, through warrants, on basis of 8/85ths of a share of $5 preferred stock for each share of common stock held. The stock of record date, expiration date of the subscription offer, and the subscription price per share of $5 preferred stock, will be supplied by amendment

Underwriting—Unsubscribed portion of the 40,000 shares will be underwritten and offered to the public, at a price to be supplied by amendment. Y. E. Booker & Co., Washington, D. C., is named principal underwriter, other underwriters will be supplied by amendment

Proceeds will be used to repay $3,100,000 bank loans of company, and to finance additions and improvements to plant and property of company and subsidiaries

Registration Statement No. 2-4987. Form A-2. (4-14-42)

Registration effective 5 p.m., E.W.T., on April 24, 1942

Offered April 27, 1942, at $100 and div. by Y. E. Booker & Co., and associates.

Following is a list of issues whose registration statements were filed less than twenty days ago. These issues are grouped according to the dates on which the registration statements will in normal course become effective, that is twenty days after filing except in the case of the securities of certain foreign public authorities which normally become effective in seven days.

These dates, unless otherwise specified, are as of 4:30 P.M. Eastern Standard Time as per rule 930(b).

Offerings will rarely be made before the day following.

SATURDAY, MAY 2

EAST TEXAS SALT WATER DISPOSAL CO.

East Texas Salt Water Disposal Co. filed a registration statement with the SEC for 19,750 shares common stock, $100 par value

Address—706 Citizens National Bank Bldg., Tyler, Tex.

Business—Incorporated on Jan. 20, 1942, under laws of State of Texas. Business of company will be the gathering, storing and impounding of water containing salt and other substances produced in the drilling and operation of oil wells in the East Texas oil fields, and the prevention of the flow of such water into streams. Company's outstanding common stock is owned principally by a group of seven large oil companies.

Underwriting and Offering—The common stock will be offered to the public direct by the company, through its officers and employees, at $100 per share. There will be no underwriting.

Proceeds will be used for working capital and corporate purposes.

Registration Statement No. 2-4986. Form A-1 (4-13-42)

Registration effective 12:30 p.m. E.W.T. on April 17, 1942

SATURDAY, MAY 9

STANDARD AIRCRAFT PRODUCTS, INC.

Standard Aircraft Products, Inc., filed a registration statement with the SEC covering $300,000 5½% convertible serial and sinking fund debentures, due 1943-1947

Address—Dayton, Ohio

Business—Company manufactures and develops aircraft products, etc.

Offering—The 1943 maturity ($48,105) will be offered to the public at 100. The other maturities will be offered in exchange for 33,586 shares ($7.50 par) 40 cents cumulative preferred stock on a par for par basis as follows: debentures maturing 1944, $62,000; debentures maturing 1945, $62,000; debentures maturing 1946, $62,000; and debentures maturing 1947, $65,895

Underwriting—The debentures aggregating $251,895 may be sold through underwriter at 100. R. N. Webster, President, has agreed to sell through underwriter the $190,537 debentures he has agreed to exchange for his 25,405 shares of preferred stock. G. Brashears & Co. is named principal underwriter. R. N. Webster may be an underwriter

Proceeds of $48,105 (1943 maturity) will be used for working capital

Registration Statement No. 2-4988. Form A-1. (Filed in San Francisco 4-20-42)

TUESDAY, MAY 12

HUNTER MANUFACTURING CO.

Hunter Manufacturing Co. filed registration statement with the SEC for 109,560 shares of common stock, of 25 cents par value

Address—Croydon, Pa.

Business—During two years ended Sept. 30, 1940, operations of company consisted of the manufacture and sale of Rex railroad signal lights and the manufacture and sale, on an experimental basis, of munitions. Since that date, the company has been primarily engaged in the munitions business

Underwriters—Nelson Douglass & Co., Los Angeles, Cal., and Barrett Herrick & Co., Inc., New York, each have agreed to underwrite 46,500 shares of the common stock registered, or a total of 93,000 shares

Offering—The 109,560 shares registered will be offered to the public at $4 per share; the underwriting commission is 80 cents per share. 93,000 shares are unissued and are to be offered to the public for the account of the company; the remaining 16,560 shares registered are to be purchased by the underwriters, under purchase option, from certain stockholders, and will be publicly offered

Proceeds will be used to purchase or redeem all the outstanding 36,000 shares of 6% cumulative preferred stock, $5 par value, and for other corporate purposes

Registration Statement No. 2-4990. Form S-2. (4-23-42)

MUTUAL INVESTMENT FUND, INC.

Mutual Investment Fund, Inc., filed registration statement with the SEC for 50,000 shares common stock, of $1 par value each

Address—15 Exchange Place, Jersey City, N. J.

Business—Company is an open-end investment company of the diversified management type, and is qualified to do business in States of Maryland and New Jersey

Underwriter—Mutual Management Co.

Offering—The common stock will be offered to the public at the market at the time of the offering (at present, approximately $7.35 per share)

Proceeds will be used for investment purposes

Registration Statement No. 2-4989. Form A-1. (4-23-42)

DATES OF OFFERING UNDETERMINED

We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.

AMERICAN BAKERIES CO.

American Bakeries Co. registered 15,000 shares Class B no par common stock

Address—No. 520 Ten Pryor St. Bldg., Atlanta, Ga.

Business—Manufacturing and distributing bakery products in southern states

Underwriter—None named

Offering—Stock will be offered to public at price to be filed by amendment

Proceeds—All proceeds will be received by L. A. Cushman, Jr., chairman of board of company, for whose account the stock will be sold

Registration Statement No. 2-4714. Form A-2. (3-28-41)

Proposed offering as amended Dec. 10, 1941, 9,000 shares at $54.25 per share

Amendment filed April 17, 1942, to defer effective date

AXTON FISHER TOBACCO CO.

Axton Fisher Tobacco Co. filed a registration statement with the SEC for aggregate of 149,944 shares 5% cumulative prior preferred stock, $25 par.

Address—Louisville, Ky.

Business—Engaged in the manufacture of cigarettes (Clown, Spud, and Twenty Grand) and various brands of smoking and chewing tobaccos.

Offering—The 149,944 shares new preferred stock will be issued under a plan of recapitalization, as follows: (1) 56,544 shares in exchange for 14,136 shares outstanding 6% preferred stock on basis of 4 shares new preferred stock plus $17.25 cash for one share of old 6% preferred stock; (2) 54,558 shares in exchange for 45,465 shares outstanding Class A common stock on basis 1 1/5 shares new preferred stock plus $16 cash for one share Class A common stock; and (3) 38,852 shares will be sold first to stockholders of company other than Transamerica Corp., parent company, at $25 per share, with the unsubscribed portion to be sold to Transamerica Corp. at same price. The cash payments in (1) and (2) exchange offers represent unpaid cumulative dividends to Dec. 31, 1941; in connection with offering under (3) above, a cash offer is also to be made in an amount necessary to cover cash payments in the above exchange offers.

Registration Statement No. 2-4947. Form A2 (2-13-42—San Francisco)

Amendment filed April 18, 1942, to defer effective date

BELLANCA AIRCRAFT CORP.

Bellanca Aircraft Corp. filed a registration statement with the SEC for 57,412 shares common stock, $1 par. Further details as to the financing, including details of distribution, application of proceeds, underwriters, if any, etc., are to be supplied by amendment to registration statement. SEC withheld much of material filed by company, presumably in conformity with military censorship policy

Registration Statement No. 2-4975. Form S-2 (3-30-42)

Amendment filed April 18, 1942, to defer effective date

CALIFORNIA DE-TINNING CORP.

California De-Tinning Corp. filed a registration statement with the SEC for 234,000 shares of $1 par common stock

Address—Los Angeles, Cal.

Business—Company is engaged in the reclaiming and processing of tin

Underwriters—Quincy Cass Associates

Offering—The common stock will be offered to the public at $1 per share

Proceeds will be used to pay for organization expenses, a detinning plant and for working capital

Registration Statement No. 2-4956 Form A1 (3-2-42—San Francisco)

CARPENTER PAPER CO.

Carpenter Paper Co. filed a registration statement with the SEC for 5,000 shares of common stock, $1 par value

Address—Ninth & Harney Sts., Omaha, Neb.

Business—Company is engaged in the warehousing for sale at wholesale of paper and paper products of various description, distributed in 17 States west of the Mississippi River.

Underwriting—None

Offering—The 5,000 shares of common stock are being offered only to a group of officers and employees of the company, approved by the Board of Directors, at not more than $21.50 per share

Proceeds will be used for working capital

Registration Statement No. 2-4978. Form A-2. (3-31-42)

Effective 5 p. m. E.W.T. April 21, 1942, as of 5:30 p.m. E.W.T., April 19, 1942

COLUMBIA GAS & ELECTRIC CORP.

Columbia Gas & Electric Corp. registered $28,000,000 serial debentures, due 1942 to 1951, and $92,000,000 sinking fund debentures due 1961

Address—61 Broadway, N. Y. C.

Business—Public utility holding company

Offering—Both issues will be publicly offered at prices to filed by amendment

Proceeds—To redeem $50,000,000 Deb 5s 1952; $4,750,700 Deb. 5s, due April 15 1952; $50,000,000 Deb. 5s, 1961; to purchase $3,750,000 4% guaranteed serial notes due 1942-46 of Ohio Fuel Gas Co. a subsidiary, and $3,750,000 guaranteed serial notes of United Fuel Gas Co., a subsidiary, from the holders thereof: and to make a $3,402,090 capital contribution to Cinn., Newport & Covington Ry Co. to enable that Company to redeem its outstanding $3,303,000 1st & Ref. 6s, 1947

Registration Statement No. 2-4736. Form A-2. (4-10-41)

Amendment filed April 16, 1942, to defer effective date

FLORIDA POWER & LIGHT CO.

Florida Power & Light Co. registered with SEC $45,000,000 First Mortgage bonds, due Oct. 1, 1971; $10,000,000 Sinking Fund Debentures, due Oct. 1, 1956; and 140,000 shares Cumulative Preferred Stock, $100 Par. Interest rates on the Bonds and Debentures, and the dividend rate on the preferred stock, will be supplied by amendment

Address—25 S. E. Second Ave., Miami, Fla.

Business—This subsidiary of American Power & Light (Electric Bond & Share System) is an operating public utility engaged principally in generating, transmitting, distributing and selling electric energy (also manufacture and sale of gas), serving most of the territory along the east coast of Florida (with exception of the Jacksonville area), and other portions of Florida

Underwriting and Offering—The securities registered are to be sold by company under the competitive bidding Rule U-50 of the SEC's Public Utility Holding Company Act. Names of underwriters and price to public, will be supplied by post-effective amendment to registration statement

Proceeds will be applied as follows: $53,170,000 to redeem at 102¼, the $52,000,000 of company's First Mortgage 5s of 1954; $15,693,370 to redeem at $110 per share, the 142,667 shares of company's $7 preferred stock, no par. Further details to be supplied by post-effective amendment

Registration Statement No. 2-4845. Form A2. (9-17-41)

Amendment filed April 17, 1942, to defer effective date

GILLHAM MINING CO., INC.

Gillham Mining Co., Inc., filed a registration statement with the SEC for 5,000 shares common stock, no par value

Address—30 No. La Salle St., Chicago, Ill.

Business—Engaged in the mining of antimony ore in Mineral Township, Sevier County, Arkansas

Underwriting and Offering—The 5,000 shares of common stock will be sold to the public at $5 per share; no underwriting involved.

Proceeds will be used for corporate purposes, including further developing and exploring of properties now owned by the company

Registration Statement No. 2-4964. Form S-3 (2-12-42)

HAMILTON WATCH CO.

Hamilton Watch Co. filed registration statement with SEC for 39,382 shares 4½% cumulative preferred stock, $100 par

Address—Lancaster, Pa.

Business — Company manufactures and sells various models of high grade (17 to 23 jewel) pocket and wrist watches for men and wrist watches for women

Underwriting and Offering—Company is making a conditional offer to holders of its 32,054 shares of outsanding 6% preferred stock of the privilege of exchanging such stock for 33,054 of the 39,382 shares of 4½% preferred stock on basis of one share of 4½% preferred stock, plus $1.50 (equal to current quarterly dividend payable March 1, 1942, on one share outstanding 6% preferred stock), plus an unstated amount (difference between the public offering price of one share 4½% preferred stock and $105, the redemption price of the 6% preferred), for each share of outstanding 6% preferred stock. Exchange offer expires Jan. 22, 1942. Any shares of 4½% preferred not issued under the exchange offer, plus the 6,328 shares not reserved for such exchange offer, will be offered to the public, at a price to be supplied by amendment. Harriman Ripley & Co., Inc., Philadelphia, is named principal underwriter; other underwriters will be supplied by amendment.

Proceeds will be used to redeem, on March 1, 1942, at $105 per share, all outstanding 6% preferred stock; balance for expenditures in connection with construction and equipment of plant additions

Registration Statement No. 2-4926. Form S2 (12-30-41).

Offering of stock has been postponed for time being, it was announced April 10, 1942

HASTINGS MANUFACTURING CO.

Hastings Manufacturing Co. registered with SEC 140,400 shares common stock, $2 par value

Address—Hastings, Mich.

Business—Manufactures and sells piston rings and expanders

Underwriters—Schroder, Rockefeller & Co., Inc., are principal underwriters Other underwriters are Smith, Hague & Co. and Carlton M. Higbie Corp., Detroit, Mich.

Offering—23,100 shares are unissued and are to be offered to the public for the account of the company; remaining 117,300 shares are outstanding and are to be sold to public for account of certain selling stockholders

Proposed offering as amended: 23,100 shares by company, 105,756 shares by certain stockholders

Public offering price is $9.50 per share

Proceeds to company will be used for general corporate purposes, including purchase of new equipment and for working capital

Registration Statement No. 2-4890. Form A2. (11-19-41 Cleveland)

Amendment filed April 15, 1942, to defer effective date

HONOLULU RAPID TRANSIT CO., LTD.

Honolulu Rapid Transit Co., Ltd., has filed a registration statement with the SEC for 75,000 shares of 6% cumulative convertible preferred stock, $10 par; and 75,000 shares common stock, $10 par, latter reserved for issuance on conversion of the preferred stock

Address—1140 Alspai St., Honolulu, Hawaii

Business—Company is a public utility engaged in providing urban transportation service to the city of Honolulu, rendered by trolley coaches and gasoline buses

Underwriting—None

Offering—The preferred stock is offered to company's common stockholders of record April 30, 1942, for subscription at $10 per share, on the basis of three shares of preferred stock for each five shares of common stock, to be evidenced by transferable warrants which expire May 29, 1942. Such of the preferred stock not subscribed to on or before May 29, 1942, or not sold on or before June 30, 1942, will be retained by the company, subject to issue and sale, either at private or public sale, at not less than $10 per share

Proceeds will be applied to reduction of outstanding bank loans, aggregating $1,650,000

Registration Statement No. 2-4973. Form S-2 (3-30-42)

HYGRADE SYLVANIA CORP.

Hygrade Sylvania Corp. filed registration statement with SEC for 50,000 shares 4½% cumulative convertible preferred stock, $40 par; and 105,000 shares common stock, no par, the latter reserved for conversion of the preferred stock

Address—60 Boston St., Salem, Mass.

Business—Engaged in manufacture and sale of electric incandescent lamp bulbs, radio receiving tubes, fluorescent lamps and fixtures, and other electronic products and certain chemical products directly or indirectly related to the foregoing. Regular and special products, to a large and increasing extent, are being supplied to the military services and for other war uses

Underwriters of the preferred stock, and the number of shares which each has agreed to underwrite, are as follows:

Jackson & Curtis, Boston	14,000
Lee Higginson Corp., Boston	10,000
Estabrook & Co., Boston	7,500
Merrill Lynch, Pierce, Fenner & Beane, New York	7,400
Putnam & Co., Hartford, Conn.	2,000
Hale, Waters & Co., Inc., Boston	1,600
Graham, Parsons & Co., New York	1,500
Whiting, Weeks & Stubbs, Inc., Boston	1,500
Yarnall & Co., Philadelphia	1,000
Minsch, Monell & Co., Inc., New York	1,000
Brush, Slocumb & Co., San Fran.	500
Herbert W. Schaefer & Co., Balt.	500
Stein Bros. & Boyce, Baltimore	500
Van Alstyne, Noel & Co., New York	500
Wyeth & Co., Los Angeles	500

Offering—The preferred stock will be offered to the public, at a price to be supplied by amendment to registration statement. The underwriting commission is $2 per share

Proceeds will be used for additional working capital

Registration Statement No. 2-4974. Form A2 (3-30-42)

Amendment filed April 15, 1942, to defer effective date

ILLINOIS COMMERCIAL TELEPHONE CO.

Illinois Commercial Telephone Co. registered with SEC $5,750,000 of first mortgage 3⅜% bonds, due Oct. 1, 1971; and 24,000 shares of $5 cumulative preferred stock no par

Address—607 E. Adams St., Springfield, Ill.

Business—This subsidiary of General Telephone Co. is engaged in providing, without competition, telephone service to 180 communities and surrounding territories in Illinois, including Kewanee, Monmouth, Macomb, Lincoln, Belvidere, Harrisburg, Olney, Mendota and Mt. Carmel

Underwriters, and amount of bonds and preferred stock underwritten by each, follow:

	Amt. of Bonds	No. of Shs. of pfd. stk.
Bonbright & Co., Inc., New York	$2,875,000	12,000
Paine, Webber & Co., New York	2,156,000	9,000
Mitchum, Tully & Co., Los Angeles	719,000	3,000

Offering—Bonds and preferred stock to be offered to the public at a price to be supplied by amendment to the registration statement

Proceeds from sale of the bonds and preferred stock, together with $105,000 received from sale of 7,000 additional shares common stock, will be used in part to retire following securities of company: $5,750,000 First Mortgage Series A 3¾% bonds, due June 1, 1970, at 105½; 17,098 shares $6 preferred stock, at $110 per share; 1,108 shares $6 preferred stock owned by parent company, at latter's cost Balance of net proceeds will be used to purchase from General Telephone Corp the outstanding capital stocks of Central Illinois Telephone Co. and Illinois Standard Telephone Co., to make additions and betterments to company's plant and property, and for other corporate purposes

Registration Statement No. 2-4866. Form A2. (10-24-41)

Illinois Commercial Telephone Co. on March 19, 1942, filed an amendment to its registration statement disclosing that it now proposes to offer to the public $5,750,000 first mortgage 3½% bonds, due March 1, 1972. Previously, in original registration statement filed on Oct. 24, 1941, company had proposed to sell $5,750,000 of first mortgage 3⅜% bonds, due 1971, and 24,000 shares of $5 cumulative preferred stock, no par value

Proceeds from sale of the $5,750,000 of first mortgage 3½% bonds, due 1972, together with other funds of the company, are to be used to retire the outstanding $5,750,000 of first mortgage series A 3¾% bonds, due 1970

Underwriters of the 3½s of 1972, and the principal amount which each has agreed to underwrite, are: Bonbright & Co., New York, $2,875,000; Paine, Webber & Co., New York, $2,156,000; Mitchum, Tully & Co., Los Angeles, Cal., $719,000

Amendment filed April 24, 1942, to defer effective date

INTERIM FINANCE CORP.

Interim Finance Corp. filed a registration statement with the SEC for 39,912 shares class A stock, $25 par; and 25,232 shares common stock, $1 par

Address—33 N. La Salle St., Chicago, Ill.

Business—Primary function of company is to loan money to enterprises whose debt and/or capital structures are being adjusted or reorganized by its wholly-owned subsidiary, H. M. Preston & Co. A secondary function is to loan money, with funds not used in its primary function, to provide "interim" or intermediate financing to enterprises until the financial positions of the borrower or a change in general capital markets open avenues for longer-term borrowing from customary sources

Underwriter—H. M. Preston & Co., Chicago, Ill., is the sole underwriter. The underwriting commission is $8 per unit

Offering—The class A stock is to be sold in units of 4 shares, at a price of $110 per unit. With at least the first 900 units, there will be included with each unit 4 shares of common stock; thereafter company reserves the right to reduce the number of common shares to be included in each unit of class A stock

Proceeds will be used for working capital

Registration Statement No. 2-4968. Form A-1. (3-18-42)

Amendment filed April 21, 1942, to defer effective date

INTER-MOUNTAIN TELEPHONE CO.

Inter-Mountain Telephone Co. filed registration statement with SEC for 25,000 shares common stock, voting, $10 par value

Address—Sixth and Crumley Sts., Bristol, Tenn.

Business—Supplies telephone service in portions of Virginia and Tennessee

Underwriters—Alex. Brown & Sons, Baltimore; Mason-Hagan, Inc., Richmond, Va.; Stern, Wampler & Co., Inc., Chicago; Equitable Securities Corp., Nashville, Tenn.; Courts & Co., Atlanta, Ga.; R. S. Dickson & Co., Inc., Charlotte, N. C.; Minnich, Wright & Co., Inc., Bristol, Tenn.

Offering—The 25,000 shares of common stock will be offered to the public, at a price to be supplied by amendment to registration statement. The shares are to be offered for the account of the underwriters, who are to acquire such shares as follows:

Calendar of New Security Flotations

Southern Bell Telephone & Telegraph Co and Chesapeake & Potomac Telephone Co of Virginia, have agreed to sell to above underwriters, a total of 25,000 shares of 6% non-cumulative convertible preferred stock, $10 par, of company, at a price to be supplied by amendment (20,665 shares of such preferred to be sold by former, 4,335 shares by latter). Underwriters agree that immediately following delivery to them of such shares of preferred stock, each will convert same, share for share, into a total of 25,000 shares of common stock of company

Proceeds will be received by the underwriters

Registration Statement No. 2-4908. Form A2 (12-6-41)

Amendment to defer effective date filed April 21, 1942. It is understood that the registration statement may be withdrawn

KLINE BROTHERS COMPANY

Kline Brothers Co. filed a registration statement with the SEC for $322,300 of 5% sinking fund notes, due May 1, 1952, and registration statement for certificates of deposit to be issued to holders of outstanding 5% notes of company, under plan of exchange

Address—132 W. 31st St., New York, N.Y.

Business—Operates 19 retail department stores located in various cities in Illinois, Michigan, Ohio, Iowa, Missouri, Pennsylvania and Georgia, selling merchandise of the character generally sold in small department stores

Offering—The new 5% notes will first be offered, par for par, in exchange for the outstanding 5% notes due Dec. 31, 1943, and May 1, 1944; latter noteholders, depositing under the exchange plan, will receive equal amount of certificates of deposit. Such of the new notes not issued in exchange for the outstanding 5% notes, will be sold to public, at 100 and accrued interest

Underwriting — Illinois Securities Co., Joliet, Ill., is the underwriter of the notes not issued under exchange plan

Proceeds will be used to retire all outstanding 5% notes of company

Registration Statements No. 2-4966 (D-1A, covering certificates of deposit) and 2-4967 (A2, covering new notes). (3-16-42)

Amendment filed April 18, 1942, to defer effective date

LIBERTY AIRCRAFT PRODUCTS CORP.

Liberty Aircraft Products Corp. filed registration statement with SEC for 60,000 shares Cumulative Convertible Preferred Stock, no par (dividend rate to be supplied by amendment), and 120,000 shares $1 par value common stock, latter to be reserved for issuance upon exercise of conversion rights of the preferred stock

Address—Farmingdale, N. Y.

Business—Engaged in manufacture and processing of parts and equipment for aircraft to customers' specifications, upon order. Owns about 50% of the outstanding common stock of The Autocar Co., which is engaged chiefly in the manufacture and sale of medium and heavy-duty motor trucks

Offering—The preferred stock will be offered to the public at a price to be supplied by amendment; the proposed maximum offering price, based on the SEC filing fee, is $25 per share

Underwriting—E. H. Rollins & Sons, Inc., New York, is named principal underwriter; names of the other underwriters will be supplied by amendment.

Proceeds will be used to the extent of $900,000 toward part payment of outstanding bank loans, and the balance will be added to working capital

Registration Statement No. 2-4934. Form A2 (1-28-42)

Amendment filed April 24, 1942, to defer effective date

LIPE-ROLLWAY CORP.

Lipe-Rollway Corp. filed a registration statement with the SEC for 80,000 shares $1 cumulative convertible preferred stock, $10 par, and 160,000 shares class A stock, $1 par, latter reserved for issue upon conversion of the preferred stock

Address—208 S. Gedded St., Syracuse, N. Y.

Business—Incorporated in 1924 as W. C. Lipe, Inc., on March 16, 1942, the name was changed to Lipe-Rollway Corp. Part of the proceeds of this financing is intended to be used for acquisition by the company of all or at least a majority of the outstanding stock of Rollway Bearing Co., Inc., of Syracuse, N. Y. Business of the company, including that of Rollway Bearing Co., Inc., includes the manufacture and sale of machine tools, reamers, cutters, clutches, clutch parts, bearings, etc.

Underwriter—Barrett Herrick & Co., Inc., New York, is the sole underwriter

Offering—The preferred stock will be offered to the public at $14 per share; the underwriting commission is $2.10 per share

Proceeds will be used in part to acquire all or as many shares as possible of the outstanding capital stock of Rollway Bearing Co., Inc., the balance will be used for additional working capital

Registration Statement No. 2-4971. Form A-2. (3-23-42)

Registration effective 11:30 a.m. E.W.T. on April 25, 1942, as of 5:30 p.m. E.W.T. April 13, 1942

MAPLE-KISSENA REALTY CORP.

Voting trustees of company filed a registration statement with the SEC for Voting Trust Certificates covering 7,315 shares of capital stock, $1 par

Addresses—Voting trustees: c/o Axel J. Swensen, 149 Cherry Ave., Flushing, New York. Corporation: 70 Pine St., New York, N. Y.

Business — Corporation operates the Yorkshire Gardens Apartment Building, in New York City

Offering—The voting trustees propose to issue voting trust certificates representing such capital stock to evidence extension of the voting trust agreement from June 10, 1942, present expiration date, to June 19, 1947

Registration Statement No. 2-4984. Form F-1 (4-7-42)

Registration effective 11:30 a.m. E.W.T on April 25, 1942

MILLER TOOL & MFG. CO.

Miller Tool & Manufacturing Co. has filed a registration statement with the SEC for 92,792 shares of common stock $1 par value

Address—Detroit, Mich.

Business—Company is engaged in the manufacture and sale of service tools for use by the automotive industry

Underwriters—Baker, Simonds & Co., is named the principal underwriter

Offering—24,875 shares of common stock will be sold to the public for the account of the company; the remaining 67,917 shares registered are already issued and outstanding, and will be sold to the public for the account of certain selling stockholders. The public offering price is $4.20 per share

Proceeds will be used for the purchase of machinery and equipment and for working capital

Registration Statement No. 2-4920. Form S2. (12-26-41 Cleveland)

Amendment filed April 18, 1942, to defer effective date

ONTARIO NICKEL CORP., LTD.

Ontario Nickel Corp., Ltd., filed a registration statement with the SEC for 2,400,000 shares common stock, $1 par

Address—372 Bay St., Toronto, Canada

Business—This mining company owns six lease patents of mining claim in Strathy Township, Ontario, which is inactive at present. Also, holds an option to purchase certain mining properties in the Sudbury District, Ontario. Company plans to dismantle a portion of the mining plant set up on the Strathy property and move it to the Sudbury property and to produce nickel concentrates from the ore contained in the Sudbury ground, which will be marketed

Underwriting and Offering—The common stock will be sold to the public at the market, by George H. Johnson, Toronto

Proceeds will be used for development work, purchase of machinery and equipment, and for working capital

Registration Statement No. 2-4976. Form S-3 (3-30-42)

Registration effective, but under notice of deficiency 5:30 p.m. E.W.T., on April 18, 1942

Registration withdrawn April 18, 1942

SHENANGO VALLEY WATER CO.

Shenango Valley Water Co. filed registration statement with SEC for 7,000 shares 5% cumulative preferred stock, $100 par

Address—Sharon, Pa.

Business—This subsidiary of Consumers Water Co. supplies water service principally in the city of Sharon, Mercer County, Pa.

Underwriting and Offering—The 5% preferred stock will first be offered in exchange to holders of the outstanding 6% preferred stock, on basis of one share of 5% preferred plus $5.13 in cash for one share of 6% preferred. Holders of at least 3,686 shares of 6% preferred must accept exchange offer before such exchange will be made. Such of the shares of 5% preferred as are not issued under the exchange offer will be underwritten and sold to the public, at 100. H. M. Payson & Co., Portland, Me., is the principal underwriter; names of the other underwriters will be supplied by amendment

Proceeds will be used to redeem all of the outstanding unexchanged 6% preferred stock, to pay the cash adjustment called for by the offer of exchange, to pay whole or part of outstanding $236,000 of notes payable of company, and to provide funds for completion of plant additions and improvements

Registration Statement No. 2-4983. Form A-2. (4-3-42)

Withdrawal request filed April 24, 1942

SOUTHWESTERN PUBLIC SERVICE CO.

Southwestern Public Service Co. filed a registration statement with the SEC for: $18,500,000 of first mortgage and collateral trust bonds, due Feb. 1, 1972; $5,500,000 serial notes, due in equal annual amounts from Nov. 1, 1943, to Nov. 1, 1953, inclusive; and 85,000 shares of 6% cumulative preferred stock, $100 par value

Address—Dallas, Texas

Business—This company and its subsidiaries are engaged principally in the generation, transmission, distribution and sale of electricity, serving certain communities in Texas, New Mexico, Oklahoma, Louisiana, Arkansas and Arizona. Under a plan of integration and simplification proposed to be consummated under section 11 of the Holding Company Act simultaneously with the consummation of the present proposed financing, the company proposes to effectuate the following transactions: Merger of Community Power & Light Co. and General Public Utilities, Inc. (the two present parent companies of the company) into the company; liquidation of Texas-New Mexico Utilities Co.; recapitalization and partial liquidation of Gulf Public Service Co.; purchase of Panhandle Power & Light Co., Cimarron Utilities Co. and Guymon Gas Co.; and refunding of the entire outstanding funded debt of the company itself. Upon completion of the transactions involved in foregoing, it is expected that the company will have no parent

Underwriting—Dillon, Read & Co., of New York, is the principal underwriter; the names of the other underwriters will be supplied by amendment

Offering—The bonds, serial notes and 6% preferred stock, will be sold to the public, at prices to be supplied by amendment

Proceeds from sale of the new securities will be added to the company's general funds and will be applied to effectuate the various financial transactions involved in the plan of integration and simplification, and the refinancing of the company's outstanding funded debt

Registration Statement No. 2-4981. Form A-2. (3-31-42)

Amendment filed April 17, 1942, to defer effective date

TREASURE MOUNTAIN GOLD MINING CO.

Treasure Mountain Gold Mining Co. filed a registration statement with the SEC for 150,000 shares common stock, 25 cents par value

Address—Denver, Colo.

Business—Company has been organized to develop and operate gold and silver mines on Treasure Mountain, in San Juan County, Colo.

Underwriting—None

Offering—Company will sell such shares directly to the public, at a price of 50 cents a share

Proceeds will be used for working capital

Registration Statement No. 2-4937. Form S3 (1-29-42)

Amendment filed April 25, 1942, to defer effective date

UNION ELECTRIC CO. OF MISSOURI

Union Electric Co. of Missouri filed a registration statement with the SEC for 2,695,000 shares common stock, no par

Address—315 N. Twelfth Blvd., St. Louis Mo.

Business—This subsidiary of The North American Co. is engaged primarily in the transmission, distribution and sale of electric energy, which it generates and purchases from its subsidiaries, serving the city of St. Louis, Mo., and portion of 5 adjacent Missouri counties and of 3 counties in Missouri adjacent to the company's Osage hydroelectric plant

Underwriting—Dillon, Read & Co., New York, is named the principal underwriter Names of the other underwriters will be supplied by amendment

Offering—The 2,695,000 shares of company's common stock are outstanding and are owned by its parent, The North American Co., who will receive the entire proceeds from the sale to the public of such shares

Registration Statement No. 2-4940. Form A2 (2-2-42)

Union Electric Co. of Missouri, on Feb 9, 1942 filed an amendment to its registration statement, naming the underwriters, 141 in all, who will publicly offer the 2,695,000 shares (no par) common stock all of which are owned by its parent company, The North American Co. The names of the underwriters, and the maximum number of shares of such common stock which each agreed to purchase were listed in the "Chronicle" of Feb. 26, 1942, page 846

Amendment filed March 2, 1942, to defer effective date

UNION LIGHT, HEAT AND POWER COMPANY

Union Light, Heat and Power Co. registered 25,000 shares $100 par common stock

Address—4th & Main St., Cincinnati Ohio

Business — Operating electric utility company

Underwriter — Columbia Gas & Electric Corp.

Offering—Stockholders will receive offer to subscribe to 25/94ths of one common share in units of 5/94ths of a share for each 5/94ths of a share held at $5.32 for each unit. On a share basis, stockholders may subscribe to 5 new shares for each share held at $100.016 per share Substantially all outstanding stock is held by Columbia Gas & Electric Corp.

Proceeds—To repay current debt and $2,835,000 first mortgage bonds held by parent and associated companies, and for construction costs

Registration Statement No. 2-4379. Form A-2. (3-30-40)

Amendment filed April 23, 1942, to defer effective date

UNITED GAS CORPORATION

United Gas Corp. registered $75,000,000 first mortgage and collateral trust 3¼% bonds due 1958

Address—2 Rector Street, New York City

Business—Production and sale of natural gas; part of Electric Bond and Share System

Underwriters—None

Offering Terms—Bonds will be sold to institutional investors, whose names will be supplied by amendment, at 99.34%

Proceeds—To redeem $28,850,000 United Gas Public Service 6% Debentures due 1953; to pay 6% demand note of $25,925,000 to Electric Bond and Share; to repay $2,000,000 open account debt to E. B. & S.; and to purchase from United Gas Pipe Line Co., $6,000,000 of its 1st & Coll. 4% bonds due 1961. Balance will be used in part to reimburse treasury for capital expenditures and possibly to pay accumulated dividends of $9,502,490 on companys $7 preferred stock

Registration Statement No. 2-4760, Form A-2 (5-15-41)

United Gas Corp. filed amendment with SEC on Feb. 21, 1942, stating that it had been unable to further extend the purchase agreements with 14 insurance companies covering the proposed private sale to such insurance companies of $75,000,000 of the company's first mortgage and collateral trust 3¼% bonds, due 1959. This amendment states: "These purchase agreements expired on Feb. 16, 1942. The corporation intends to continue negotiations to the end that its bonds shall be either sold privately, by renewal of the aforesaid agreements or otherwise, or offered to the public as circumstances shall dictate in order to obtain the pest possible price."

Amendment filed April 16, 1942, to defer effective date

VIRGINIA PUBLIC SERVICE CO.

Virginia Public Service Co. filed a registration statement with the SEC for: $22,800,000 first mortgage 3½% bonds, due Dec. 1, 1971; $5,700,000 of 2%-3½% serial notes, due semi-annually June 1, 1944-Dec. 1, 1951, in varying amounts (from $320,000 to $390,000); 70,000 shares 5¼% cumulative preferred stock, $100 par value; and 628,333 shares common stock, no par

Address—117 S. Washington St., Alexandria, Va.

Business—Company is principally an electric operating public utility engaged in the production, purchase, transmission, distribution and sale of electric energy at retail and wholesale in Virginia, West Virginia and, to a minor extent, in North Carolina. Company is a subsidiary of General Gas & Electric Corp., which is in the Associated Gas & Electric Corp. holding company system

Underwriting and Offering—The securities registered will be sold through competitive bidding, under the SEC's competitive bidding Rule U-50 of the Public Utility Holding Company Act. Only exception is confined to such shares of the new preferred stock as may be issued on a share for share basis (with a cash adjustment) to holders of the presently outstanding preferred stock who do not elect to take cash for their stock. Name of underwriters, and public offering prices for the securities, will be supplied by post-effective amendment to registration statement

Proceeds will be used as follows: The 628,333 shares of new no par common stock will first be issued to General Gas & Electric Corp. in exchange for the old common stock now held by General Gas & Electric Corp., and will be offered for sale through competitive bidding. The proceeds from the sale of the securities registered will be used to retire all of the outstanding long-term indebtedness of the company, its predecessor and constituent companies, and that of Virginia Public Service Generating Co. (a subsidiary), to make cash payments to its present preferred stockholders, and to provide company with funds for new construction

Registration Statement No. 2-4913. Form A2. (12-12-41)

Amendment to defer effective date filed April 23, 1942

WEST INDIES SUGAR CORP.

West Indies Sugar Corp. filed a registration statement with the SEC for 453,691 shares of common stock, $1 par

Address—60 E. 42nd St., New York City

Business—Company, organized in 1932 pursuant to the plan of reorganization of Cuban Dominican Sugar Corp. and certain of its subsidiaries, is solely a holding company owning the securities of several operating subsidiaries engaged principally in the production of raw cane sugar and invert and blackstrap molasses in the Dominican Republic and Cuba

Underwriters will be named by amendment

Offering—The shares registered are already outstanding, and are owned by City Company of New York, Inc., In Dissolution, to the extent of 436,691 shares; National City Bank of New York, parent of the former company, is the holder of the remaining 17,000 shares registered. The aggregate of the shares registered represents 47.7% of the outstanding common stock of the company, and will be offered to the public, at a price to be supplied by amendment

Proceeds will be received by the selling stockholders

Registration Statement No. 2-4923 Form A2. (12-29-41)

Amendment filed April 21, 1942, to defer effective date

New Mtg. Funds Voted

The House on April 22 voted to increase by $500,000,000 the present $300,000,000 authority of the Federal Housing Administration to insure mortgages for housing of war workers.

John Blandford, Jr., head of the National Housing Agency, told the House Banking Committee on April 20 that the FHA's available insurance fund is exhausted and that the increase was necessary to conduct a program covering about 285,000 dwelling units in defense production areas.

In addition to raising the insurance authorization to $800,000,000, the measure increases from $4,000 to $5,400 the principal obligation of any mortgage which may be insured covering a single family residence, from $6,000 to $7,500 on a two-family residence, from $8,000 to $9,500 on a three-family home, and from $10,500 to $12,000 on a four-family home.

The bill also extends the permissible maturity of any insured mortgage from 20 to 25 years.

A bill authorizing expenditure of $50,000,000 for additional housing and public works for Washington war workers was signed by President Roosevelt on April 10. Final Congressional action came on April 6 when the House adopted the conference report, which the Senate had approved on April 3.

Balt. S. E. Ups Rates

The Baltimore Stock Exchange announced on April 22 increases in commission rates to bring them more nearly in line with those charged on the New York Stock Exchange and to make them more nearly uniform with a number of other exchanges. In announcing the decision to increase the rates, Theodore Gould, President of the Baltimore Exchange, pointed out that expenses of doing business had increased to a considerable extent.

The Baltimore "Sun" of April 23 reported the increases as follows:

> Rates on stocks selling at $10 a share are now 15 cents a share, the rate ascending gradually with the price of the stock, ¼ of 1%, being added to the commission for each $1 above $10 at which the stock is selling.
>
> Below $1 a share the rates are as follows:
>
> On stocks selling from 1 through 6 cents a share, ½ cent each.
>
> From 7 through 24 cents a share, at 1 cent a share.
>
> From 25 cents through 49 cents a share, at 2 cents a share.
>
> From 50 through 99 cents, at 4 cents a share.
>
> From $1 to $1.99, at 6 cents.
>
> For each dollar added above $1.99, 1 cent additional is included until at $10 the rate becomes 15 cents a share.

Cost Of Living Is Up 1.1% From Feb. to Mar.

The cost of living of wage earners and lower-salaried clerical workers in the United States rose 1.1% from February to March according to the Division of Industrial Economics of The Conference Board, which under date of April 23 said:

> Food prices showed the largest increase for the month, 1.9%, followed by clothing with a gain of 1.5%. The cost of fuel and light remained unchanged. The other items of the budget recorded advances of less than 1%: sundries 0.6% and housing 0.3%.
>
> The Board's index of the cost of living (1923=100) was 96.1 in March, as compared with 95.1 in February, 94.5 in January, 93.2 in December, 92.9 in November, 92.0 in October and 86.3 in March, 1941.
>
> Living costs were 11.4% higher than in March, 1941. Food prices led the advance over the year period with a rise of 23.1%. Clothing prices were second with a 17.2% rise. Other rises during the 12 months were: sundries, 5.3%; fuel and light, 4.6%; and housing, 3.4%.
>
> The purchasing value of the 1923 dollar declined to 104.1 in March. In February it was 105.2, in January 105.8, and a year ago it was 115.9.

Mtg. Bankers To Aid OPA

The Mortgage Bankers Association of America will assist the Rent Division of the Office of Price Administration in assembling data necessary for determining rent trends in defense and potential defense areas, Frederick P. Champ, President, announced on April 12. A special committee, headed by Guy T. O. Hollyday of Baltimore and a Governor of the Association, has been appointed to collect the information. The Association states:

> The government agency will designate the areas for which data on rental housing is desired and the Association's members in that city will assist in supplying it through questionnaires prepared by the OPA. According to Mr. Hollyday, collecting this data in any particular city does not necessarily mean Federal rent control, under the Emergency Price Control Act of 1942, will be applied to that community.
>
> The questionnaire seeks information as to the number and size and rental units by rental groups, rental income, operating ing and administrative expenses, and taxes.

Marine Ins. Has Prospects

A detailed discussion of the current situation in the marine insurance field, taking into consideration present ocean marine experience, has been prepared by Butler-Huff & Co. of California, 210 West Seventh Street, Los Angeles, Calif. Although the ocean marine experience has been admittedly bad, Butler-Huff & Co. states, the figures given in the newspapers, are, in their opinion, inaccurate and misleading, since the underwriters themselves lack complete reports on premiums and losses. Despite government competition in the marine insurance field, the companies will still retain a large portion of the Ocean Marine business represented by Marine Peril covers on hull and cargo, and by Cargo War Risk cover, the study declares, adding that a modest amount of Hull War Risk business may come from shippers who prefer company coverage, even at higher rates, as well as from coverage of ships of other nations; the volume of such business should, increase, Butler-Huff & Co. feels, in proportion to the number of ships constructed, and the rate structures have been revised to conform to recent losses while the loss outlook is becoming much brighter; the recent ocean marine experience and the adverse publicity given it have helped to provide one of the greatest investment opportunities in years.

Copies of the Marine Insurance memorandum and a detailed summary of the Baltimore American Insurance Company of New York may be had from Butler-Huff & Co. upon request.

Withdraws Action

The Securities and Exchange Commission has dismissed proceedings against Ver Hulst & Co., investment firm of Denver, Colo., and has permitted the firm to withdraw its registration as an over-the-counter broker-dealer. Action against Ver Hulst & Co. has been instituted by the Commission on the grounds that the company had violated the Securities Exchange Act, operated its business without net assets, owed substantial sums to customers, commingled securities of various customers, and had sold securities without the knowledge or consent of the owners converting the proceeds to its own use.

The Commission took official recognition of the fact that the company has discontinued business and arranged for payment of $55,000 in outstanding claims, resigned from the National Association of Securities Dealers, Inc., and George M. Ver Hulst, President of the firm, agreed not to reenter the securities business.

License Revoked

The Securities and Exchange Commission has revoked the broker-dealer registration of A. K. Ettlinger Co., 39 Broadway, New York City, on the charge that the firm purchased securities and resold them at excessive markups. The defendant agreed to the revocation of its registration on the basis of a stipulation of facts presented at the hearing by the attorney for the Securities and Exchange Commission.

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N. Y. Legislature Passes Stock Transfer Bills; Relief Now Up To Gov. Herbert H. Lehman

The Legislature of the State of New York, has for the third successive year voted to eliminate the double taxation on odd lot stock transfers. The measure, as passed, would also repeal the stock transfer emergency tax and rearrange the rates from three cents for shares selling under twenty dollars and four cents for those above to a graduated scale, which would vary from one-tenth of a cent on shares selling for less than one dollar to five cents on shares selling at one hundred dollars or more.

The bill, which was vetoed by Governor Herbert H. Lehman in 1940 and 1941, was sponsored by Senator Frederic Coudert, Jr. and Assemblyman MacNeil Mitchell, Republicans of New York City, who contended the levy had caused a diversion of stock transfer business to other states.

San Francisco S. E. To Try Offering System

The Securities and Exchange Commission announced on April 17 that it had declared effective for an experimental period a plan of the San Francisco Stock Exchange for "sepcial offerings." The SEC states that:

> The effect of the action taken by the Commission will be to exempt distributions carried out in accordance with the plan from rules of the Commission prohibiting the payment of compensation for inducing purchases on the Exchange under certain conditions.
>
> This is the second instance in which a plan for special offerings submitted by a national securities exchange has been declared effective by the Commission.

It is also announced that the plan of the San Francisco Stock Exchange is similar to that declared effective in the case of the New York Stock Exchange, a summary of the more important features of which appeared in these columns Feb. 12, page 658.

Correction

In the "Financial Chronicle" of April 23, in reporting the formation of Wesley Hall & Co., First National Bank Building, San Diego, Calif., it was stated that the predecessor firm Miller, Hall & Co. was being dissolved because of the death of Mr. Merrill T. Miller. Mr. Hall informs us that Mr. Miller, although in poor health, is very much alive. Our correspondent in reporting the formation of Wesley Hall & Co. evidently confused Mr. Merrill T. Miller with Mr. Johnston O. Miller, his brother, formerly Vice-President of the First National Trust & Savings Bank of San Diego, who died on Feb. 11th.

Switch Recommendation

Erie Incomes offer an interesting "switch," according to Pflugfelder, Bampton & Rust, 61 Broadway, New York City, members of the New York Stock Exchange. Copies of a special circular they have prepared on the Erie Incomes may be had from Pflugfelder, Bampton & Rust upon request.

Get Sentences

Sentences were pronounced in the Federal Court in New York by Judge Rifkind in connection with conspiracy or mail fraud involving stock in the National Printing Appliance Corporation.

Fred Blaser, Earnest Ingalls, Saul L. Rubin, George A. Liebman, Benjamin Rabinowitz, George T. Friedland, Ira R. Newell and Harry V. Blum, President of H. V. Blum & Co., Inc., now out of business, pleaded guilty and, on the recommendation of U. S. Attorney Eugene J. Finnegan, were given suspended sentences by the Court, with a "certain amount of distaste."

James D. Kennedy of New Rochelle, was sentenced to six months; Don F. Whittaker received a sentence of one year and one day; and William J. Hall received a suspended sentence and probation for one year. All had been convicted after trial.

Allen Bindler, President of Allen Bindler & Co., received an 18 months' sentence.

Allen Bindler & Co., H. V. Blum & Co., Inc., and Whittaker Bros. were each fined $1,000 but the fines were remitted, in the case of H. V. Blum & Co., because the company has gone out of business.

M. Sestric To Manage I. M. Simon Trading

ST. LOUIS, MO.—I. M. Simon & Co., 315 North Fourth Street, members of the New York Stock Exchange, announce that Michael J. Sestric is now manager of their trading department. Mr. Sestric who has been with the firm for some time will replace William H. Taussig who is entering the armed forces.

In The Armed Forces

James R. Runner of the staff of Chas. W. Scranton & Co., 209 Church Street, New Haven, Conn., members of the New York Stock Exchange, is on leave of absence and is now serving with the armed forces of the United States Army. Mr. Runner was formerly with Kean Taylor & Co., and prior to that was with Chase, Harris, Forbes Corp.

Phila., STANY Bowlers Promise Battle Royal

The bowling team of the Security Traders Association of New York will play the bowling team of the Investment Traders Association of Philadelphia on Friday night, May 1, in Philadelphia, at the Hudson Bowling Alleys, at 8 p. m. Three five-man teams will compete for each city, with the scoring on the total pin fall for three strings.

The match is expected to draw a large number of spectators from the New York Association—with Philadelphia eager to avenge the defeat they received earlier in the season in New York and to keep the inter-city championship, based on the total number of pins, which they won last year.

Representing STANY on the field will be: Arthur Burian, Bonner & Gregory; James Cleland, James D. Cleland & Co.; William Kumm, Dunne & Co.; Wellington Hunter, Hunter & Co.; John Ohlandt, J. Arthur Warner & Co.; Edgar Sheppard, Robinson, Miller & Co.; Joe Colandro, White, Weld & Co.; Robert Strauss, Strauss Bros.; Joe Simmons, Hart Smith & Co.; Thomas Gleason, Kirchofer & Arnold; John J. O'Kane, John J. O'Kane, Jr., & Co.; Wilfred G. Conary, B. W. Pizzini & Co., Chairman of the New York bowlers; George Leone, Frank Masterson & Co.; Cyril Murphy, Mackubin, Legg & Co., and Everett Van Tuyl, Van Tuyl & Abbe.

The Philadelphia team is at present composed of: Joe Straubmiller, Investment Registry; Sam and Ed Phillips, S. K. Phillips & Co.; Newt Parkes and Charley Wallingford, E. H. Rollins & Sons, Inc.; Jim McFarland, First Boston Corp.; Ethan Zuber, Suplee, Yeatman & Co.; Alex Bryson, Wright, Wood & Co.; Vic Mosely, Stroud & Co., Inc.; Tom Bowers, Elkins, Morris & Co.; Coyt Williamson, Schmidt, Poole & Co.; Rus Dotts, Bioren & Co.; Elwood Dougherty, A. Webster Dougherty & Co., and Bill McCullough of Frank Morrissey & Co.

Alfred W. Tryder, H. T. Greenwood & Co., is Chairman of the Philadelphia bowlers, with Frank Hass, Rufus Waples & Co., and Ed. Coughlin, W. H. Bell & Co., Assistant Chairmen.

Defense bonds will be awarded for high-3 and for high-singles.

For details as to train, etc., New Yorkers should call Bill Conary of B. W. Pizzini & Co., New York City (Bowling Green 9-6400).

Rogers With Scranton Co.

(Special to The Financial Chronicle)

NEW HAVEN, CONN.—Burton C. Rogers has become associated with Chas. W. Scranton & Co., 209 Church Street, members of the New York Stock Exchange. Mr. Rogers will represent the firm in Meriden and vicinity where he has represented the R. L. Griggs Company of Waterbury for fifteen years.

$800 Million Approved For Naval Shore Facilities

Legislation authorizing an $800,000,000 expansion in the Navy's shore facilities was voted by the House on April 20 and concurred in by the Senate on April 23. The Senate had authorized expenditure of $1,000,000,000 on April 1 but agreed to the House figure on April 23, thus completing Congressional action.

Of the total amount, $392,000,000 would go for new establishments, as follows: Liquid fuel storage facilities, $22,043,250; aviation facilities, $130,300,000; storage facilities, $85,000,000; personnel training and housing, $60,000,000; ordnance facilities, $84,468,000; hospital facilities, $3,710,000; shore radio facilities $7,381,000. The remaining money is for extension of existing facilities.

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New York Stock Exchange Weekly Firm Changes

The New York Stock Exchange has announced the following weekly firm changes:

It is proposed that Lawrence Craufurd act as alternate on the floor of the Exchange for Robert A. Drysdale, Jr., which will be considered by the Exchange today. Both are partners in Drysdale & Co., New York City.

Transfer of the Exchange membership of Archie B. Gwathmey, 2nd to Alan H. Rosenthal, partner in D. H. Silberberg & Co., New York City, will be considered on May 7.

Henry W. Sage, Jr., partner in Sage & Co., New York City, now signs Henry W. Sage.

H. Robert Samstag, partner in Hamershlag, Borg & Co., New York City, will retire from the firm effective today.

Samuel Y. Gibbon will retire from partnership in W. H. Newbold's Son & Co., Philadelphia, Pa., effective today.

Steven M. Siesel withdraws from partnership in Wm. M. Rosenbaum & Co., New York City today.

Interest of the late Aymar Johnson in Johnson & Wood, New York City, terminates as of today.

Hughes & Bull, New York City, will dissolve effective today.

O. A. McFall & Co., Memphis, Tenn., has been dissolved as of today.

C. E. Welles & Co., New York City, has been dissolved as of today.

"Petroleum On Parade"

An attractive booklet entitled "Petroleum on Parade" — "The March of Civilization" has been compiled by Tellier & Company, 42 Broadway, New York City, members of the Eastern Oil Royalty Dealers Association. The booklet, attractively illustrated, discusses the place of oil in the world of today, shows interesting diagrams of oil wells, gives tables of crude oil production and describes what oil royalties are.

Copies may be obtained from Tellier & Company on request.

O'Neil Joins Fairman

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Richard R. O'Neil has become associated with Fairman & Co., 650 South Spring Street, members of the Los Angeles Stock Exchange. Mr. O'Neil was formerly with M. H. Lewis & Co. and prior thereto was manager of the trading department of Sinclair, Dunlap & Co. and Lord, Abbett & Nicol, Inc.

Budget Estimates Up

Revised budget estimates of the Government were revealed on April 24 by Budget Director Harold D. Smith. The Administration increased its estimates of war expenditures for the '43 fiscal year from $56,000,000,000 to $70,000,000,000 and estimates of total Government expenditures during the 1943 fiscal year, beginning July 1, are reported as having been increased from $63,300,000,000 to $77,500,000,000. It is also stated that for the current fiscal year, which ends June 30, expenditures are expected to total $28,000,000,000 instead of the previously estimated $26,000,000,000.

Final Edition THURSDAY **Three Sections—Section Two**

The COMMERCIAL & FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

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OPA Establishes Price Ceilings Extending To Virtually All Commodities And Rents

A sweeping general price regulation was issued on April 28 by Price Administrator Leon Henderson, who, in a statement explanatory of the action, said "this regulation places an absolute ceiling over substantially all of the commodities and services sold at retail. The ceiling also extends over the prices charged by wholesalers, manufacturers and producers. Maximum prices prescribed by the regulation are the highest prices charged by each individual seller for each commodity or service during the month of March, 1942."

Mr. Henderson observed that "the inflationary rise in the cost of living has been gathering momentum," and he added:

> Left to themselves, rising prices, wages and costs would chase each other upward in an endless spiral. The inevitable result would be inflation—a defeat on the home front that could not fail to be reflected on the battlefields abroad.

"To achieve over-all price control and prevent further increases in the cost of living," said Mr. Henderson, "the general maximum-price regulation was issued by the OPA." In its move to bring prices under strict control, the "Wall Street Journal" of April 29 in advices from its Washington bureau, noted that the OPA did this by:

1. Issuing a sweeping, blanket price order, covering all but a limited number of exempted commodities and services.

2. Announcing 14 new, separate price ceilings on other articles.

3. Designating 302 localities as defense rental areas, threatened Federal rent control if local authorities do not do the job quickly.

From an outline of the provisions of the voluminous order, as presented in the "Wall Street Journal" we take the following:

The General Price Order

Maximum Prices: No seller may charge a higher price for any article or service than the highest price at which he furnished that article or service in March, 1942. To care for special cases in which no sales were made during March the OPA provided alternative pricing methods in Sections 2(B) and 3 of its order.

(Continued on page 1709)

FROM WASHINGTON AHEAD OF THE NEWS

By CARLISLE BARGERON

If there could be anything to more emphasize the phantasmagoria that is America today than the build up and subsequent reaction to Mr. Roosevelt's message on Monday I'll eat my hat. I have spent considerable time going around among my colleagues in the Washington newspaper scene, perhaps the greatest crew of agitators in the whole world, asking them just what was their reaction. With one accord it was a let-down. For a period of several days there had been a tremendous build up in the American press about how drastic the message was to be. When it finally came out it meant essentially nothing.

There were two definite recommendations, both requiring action by that conglomerate known as Congress. One was that no one in this country should receive a net income of more than $25,000 a year; the other that farm prices should be reduced from 110% of parity to 100%. After this, there was sort of a veiled promise that wages would be kept in hand by the War Labor Board, that prices would be fixed wherever necessary and that rationing would be resorted to if necessary.

The concensus of Washington correspondents is that nothing will be done in Congress about the $25,000 salary limitation (how could it be worked out) and that certainly no action will be taken to bring farm prices down to 100% of parity. Leon Henderson will continue to fix prices wherever he thinks it is necessary and he will extend rationing whenever and wherever, in his opinion, that becomes necessary.

He has widely extended price ceilings which he already had authority to do. Aside from this, then where are we now that we were not at before? What difference in our lives has the President's message made except for the comparative blanket price ceiling which Henderson already had authority to impose and which required no Presidential message.

(Continued on page 1720)

One Reader Says...

"The Financial Chronicle has been so useful that we have had the copies bound and kept for reference."

Running through our correspondence, we find a subscriber whose file of bound copies dates back to 1887—another to 1906—and still another to 1880. Can there be any doubt in your mind about the value of binding your copies of the Financial Chronicle, of having at your finger tips a complete record of all important financial developments? The new Financial Chronicle was designed for binding. With the larger page size, bound volumes will be thinner, will open flat and will be easier to handle.

This is merely a suggestion—passed along to you because we want you to get full value from your subscription to the Financial Chronicle.

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THE FINANCIAL SITUATION

There are a great many who now see, or think (hope?) they see clear indications of "jitters" in Berlin. Time probably will tell fairly soon whether this "state of nerves" is imagined, feigned, or real. There can be no question as to what the hopes of the American people are. It would, however, probably be much more profitable for us to devote our attention to the well-confirmed case of "jitters" now afflicting the political leaders in our own national capital. Here the causative agent is clearly politics. That the seat of the trouble does not lie in the far more serious field of armament production is proven by American industry, which, despite all the handicaps imposed by the professional "social workers" and other reformers, is now producing the instruments of war on a scale until a few months ago believed by most to be utterly impossible in so short a period of time, and equally as effectively preparing greatly to enlarge that volume of output in the months to come. The real heroes of this war are to be found not only on the field of battle but among those business men who, despite all the unfairness and abuse to which they have been constantly subjected, have journeyed to Washington at great personal sacrifice, and remained there to get the things done which their critics were obviously utterly helpless to do. They are also to be found among those other production managers who have amidst many difficulties, often quite needless, remained at their desks to apply typical American methods of mass production to the task of bringing the needed instruments of war into being.

But the political "jitters" making themselves daily more evident among the politicians as the campaigns of the summer and autumn approach are not to be ignored. They can greatly add to the difficulties by which our war production program is already surrounded. If not held in check they can very substantially reduce the volume of output below that which would otherwise be within the reach of American industry. That such a state of nerves exists is plain. It is clear even if we exclude the work of the gallant Mr. Arnold who, so far as known, has no political ambitions, but appears, rather, to be one of those academicians with a well developed anti-business spleen and a flair for rocking the boat. His recent activities can not, however, be regarded

(Continued on page 1707)

Past Finding Out

The issues in this case are quite clear. This is not an ordinary case. In July, 1941, the same issues were presented to the National Defense Mediation Board; a decision was rendered; the company refused to accept the recommendation of the Board and offered to turn the yards over to the Government for operation rather than agree to the contract proposed by the National Defense Mediation Board. The shipyard was taken over and operated by the Government until early 1942. At that time the shipyard was turned back to the company unconditionally. During the period that the shipyard was operated by the Government, the recommendation of the National Defense Mediation Board was not enforced.

The identical issue is now brought before the National War Labor Board. The union has demanded that the employer be compelled to discharge any employe who fails to keep his membership in the union in good standing. This is the same issue that was presented to the Mediation Board, to this company, and to our Government in 1941. The only change in the present directive order is to provide as an alternative that the employer be requested by the employe, under penalty of discharge, to deduct from his pay his financial obligation to the union.—**Dissenting opinion, National War Labor Board, in the Federal Shipbuilding and Dry Dock Company case.**

Apparently, the ways not only of God but of Government also are past finding out.

Says War Exigencies Modify Credit Ratios

Bankers must modify former credit ratios and other lending tests if they are to make loans successfully for prosecution of the war, said Chris M. Smits, Vice-President of the Continental Illinois National Bank and Trust Co. of Chicago, in addressing the Credit Clinic of the American Bankers Association at Chicago on April 17. According to Mr. Smits, case after case could be cited of situations where the financial statements of companies have been widely distorted by unprecedented business volume, with the result that banks have had to develop new standards of lending.

Other problems for banks, Mr. Smits pointed out, are presented by the companies that must completely switch over to another line of business and readjust their operations to the new tasks. This, he said, may create one set of problems for the big automobile companies, which are highly organized, amply capitalized, and have able engineering staffs and management that has long been accustomed to a variety of problems. However, he went on to say, it is an entirely different and more difficult situation for small enterprises which are moderately capitalized and are under managements which are hard pressed to readjust themselves to sudden and violent changes. In part, Mr. Smits also said:

> It should, of course, be axiomatic that the tremendous dollar volume of production in industry in the United States should create loans, and should give the alert banker the opportunity to employ funds advantageously. There is, however, another side to the picture. Any diversion to a war economy means that some businesses must close their doors unless they can fit themselves into that economy. All businesses cannot shift easily, and some managements are more lethargic than others. Each loan on the books of a bank or in contemplation needs constant and careful scrutiny, so that we may be conscious of its relation to the daily changes brought about by rationing.
>
> We, as bankers, may as well face the fact that we are going to have to think as we never did before. Every loan, every application, discloses new problems or the possibilities of them. Every one must be considered separately, independently, in the light of what we now know or can expect. As never before, we must be alert, thinking, planning, probing, advising with customers and with one another to the end that when this whole affair is over we still may be useful bankers and citizens. Ours are the problems of today.

$344 Million For Civil Functions Of War Dept.

The War Department Civil Functions Bill providing $343,938,826 for flood-control projects and the Panama Canal received final Congressional approval on April 23. This followed Senate approval of a conference report which the House had adopted on April 22.

When the House passed this bill on March 11 it called for funds aggregating $333,950,826 (as indicated in our issue of March 19, page 1160) but the Senate, in approving it on March 25 increased the appropriation by $33,089,000. The compromise bill $343,938,826, included small sums for two controversial reservoir projects—Bull Shoals Reservoir, Ark., and Table Rock Reservoir, Mo. — for which the House had previously denied funds.

Editorial—

An "Indispensable" Asset?

Since the fall of Manila, and then Bataan, not so much has been heard of the slogan "We must preserve labor's social gains." Yet that slogan still motivates far too many of the Administration's policies. And one key war agency—The National War Labor Board—is still frankly, boldly, and illegally preserving the social gains not of labor as a class, but of that one minute section of labor aristocracy, the leaders of organized labor. It is carrying out its campaign in the series of startling "union security" decisions that it has just handed down.

In its decision in a case involving the Walker-Turner Co., of Plainfield, New Jersey, the War Labor Board ruled that the company must sign a maintenance of membership clause with the CIO Electrical Workers' Union. This clause required all employes presently enrolled in the union to maintain that membership—preserving the status quo for the union leaders. Then the Board went further. It also ordered that all employes who had dropped out of the union for any reason whatsoever after Nov. 21, 1941, the date the old contract expired, must rejoin and maintain their membership, or lose their jobs.

The Board followed this extreme verdict with another "union security" decision involving employes in eight plants of the International Harvester Co. And it has just ordered the Federal Shipbuilding and Dry Dock Corp. to institute a maintenance of membership clause in a contract with the CIO Shipbuilders' Union. Thus, with these three rulings the Board stands firmly committed to the proposition that the unions of this country must be protected absolutely against any contingency that would cause employes to stop paying dues.

These rulings clearly defy Congress and the law it creates, the President who created the Board, and public opinion. It was only last Nov. 14 that President Roosevelt declared, "The Government of the United States will not order, nor will Congress pass legislation ordering, a so-called closed shop." He also said at the same time that the Government would never force a man to join a union because that "would be too much like the Hitler methods towards labor."

Certainly the President correctly gauged Congressional sentiment towards the closed shop and any imitations of it at that time, and certainly the legislators' opposition towards forcing workers to belong to unions is far greater now. Where the public stands is shown all too clearly by the recent Gallup Poll which found that 77% of the people opposed the closed shop.

Yet, despite the opinion against the closed shop or any variation thereof, the War Labor Board has not hesitated to hand down three rulings that deprive a man of the right to drop out of a labor organization he has once joined! Moreover, the Board frankly justifies its actions with an amazing statement of fundamental policy, which may be found in the Walker-Turner decision.

"We believe that strong, independent and self-disciplined labor organization and the leadership of responsible union officials constitute a great and indeed an indispensable asset available to us in this critical moment in our country's history."

This statement requires a great deal of digestion. It represents a far-reaching change in policy, so drastic that it virtually involves a change in the American way of life. Yet that policy was framed by a mere Board set up by an Executive Order. The President did not commit the nation or the Board to any such policy. The Congress certainly has never declared that union organizations were indispensable—not even in that biased, one-sided law known as the Wagner Act.

Indeed, the War Labor Board did not hesitate to amend the Wagner Act in formulating this new policy. Recalling that the Wagner Act was designed to "protect the instrumentalities of collective bargaining," the Board then inserted its own interpretation, "Responsible labor organization has a primary place among those instrumentalities."

Acting on its own free will, therefore, without authority in law, or from Congress, the President, or the public, this Board has declared that unions and union leaders must be protected and preserved. Consider what would happen if a similar Federal agency should hold that all farmers must belong to one of the farm organizations or should declare that the Government must protect those organizations. Or what would the outcry be if the Government were to order alll businessmen to belong to the Chamber of Commerce, or assert that the Chamber of Commerce must be protected.

From a legal basis, therefore, the statement of policy seems indefensible and outrageous. And the policy is just as subject to attack when the principles it enunciates are applied to the specific labor organizations concerned.

Consider the phrases "self-disciplined union organization" and "responsible union officials." Do the unions and labor leaders to which the Walker-Turner and International Harvester employes were ordered to pay dues qualify under such terms? The leaders of the union involved in the Walker-Turner case were always classified as Communists before the Nazi invasion of Russia, and were bitter opponents of the American defense effort until that date. The union at International Harvester also had its Communist leaders and only last summer staged a strike that sorely delayed the production of defense equipment.

Aside from the personalities and records of the organizations that benefited by these two decisions, one may well doubt that any American union can qualify as deserving of protection. Assistant Attorney General Thurman Arnold recently told the House Judiciary Committee that "today under Federal law there is no right of the farmer . . . no right of the consumer . . . no right of the small businessman which labor is bound to respect."

He charged at the same time that unions were exploiting the farmers, that they were guilty of packing the membership rolls at union elections, that they had impeded transportation and made it "impossible" to get mass production of housing. Other unions, he contended, forced the employment of useless labor and restricted "efficient use of men and machines."

This is no labor-baiter speaking. It is the trust-busting prosecutor of the most labor-minded Administration the nation has ever seen. If these are the charges he levels at the unions in this country, how can they possibly qualify as "responsible" organizations, entitled to be called "indispensable"?

Actually, the War Labor Board itself recognized in its Walker-Turner decision that the particular union involved might not quite qualify for the high-sounding designation of "responsible." Just two paragraphs from its pious expressions about the value of union officials it stipulates these conditions to the decision: (1) the dues and initiation fees of the union shall not be increased except by the international organization and (2) the union shall not coerce any employe to join the union and any employe who claims he has been coerced shall have a right to impartial trial by an umpire. Thus, did the Board reveal its fear that the "self-disciplined" organization at Walker-Turner might hike dues and fees to rake in a "take" comparable to that grabbed by the AFL building unions in the Army cantonments—or that the union leaders might go around the plant slugging those who insisted on remaining outside the union's folds.

Thus, by its own action the Board shows that its policy, which it had no legal right to enunciate, cannot appropriately be applied to American labor unions. Yet by these decisions, it has clearly set precedents that it will follow in pending cases involving almost the whole steel industry, and a large part of the auto and other industries. Unless it is stopped, it will institute "union security" to protect the union leaders in those trades.

How can the Board be stopped? By a simple Act of Congress forbidding any Federal agency to suggest a clause requiring that a worker become a member or maintain his membership in a union for inclusion in a proposed collective bargaining agreement. Or if Congress is too craven to adopt so forthright a declaration, it could simply freeze the existing status with regard to closed or open shop agreements in all war industry plants. The Board cannot be stopped except by such a Congressional action. When its predecessor, the National Defense Mediation Board, refused a CIO union a closed shop, the union leaders promptly resigned and that agency collapsed. The WLB cannot escape a similar fate should it be inclined ever to refuse a union the "security" it demanded.

Fix Export Price Ceiling

The Office of Price Administration fixed on April 25 a maximum price ceiling for all commodities and products sold for export to all foreign countries and the territories and possessions of the United States. The order, effective April 30, provides that the export price of any commodity shall be the exporter's cost of acquisition, plus the average premium charged in the export trade on similar transactions between July 1-Dec. 31, 1940, or March 1-April 15, 1942, whichever period yields the lower average premium. In addition, the exporter may add an amount sufficient to compensate him for such expenses as war risk insurance, consular fees, demurrage charges and shipping charges.

The new order was formulated by the OPA in cooperation with the State Department and the Board of Economic Warfare.

Price Administrator Leon Henderson said the ceiling would give a fair margin for services in line with existing trade practices, would protect foreign purchases against speculation and profiteering, remove threats to domestic price ceilings resulting from excessive export prices, prevent diversion of domestic supplies to more profitable foreign markets and eliminate the danger of loss of foreign markets as a result of insufficient export margins.

THE FINANCIAL SITUATION

(Continued From First Page)

as wholly untinged with current politics. The timing of some of his "disclosures," which have rarely been able to withstand the light of dispassionate inquiry, strongly suggests, that, whether this gentleman is aware of the fact or not, his inclinations and his talents have been eagerly if somewhat hysterically exploited by others who have political interests aplenty. The hasty and often unfounded allegations recently made by him and the wholly unwarranted inferences quickly drawn by eager and frightened Congressional politicians to whom he has so obligingly presented his case or cases must be added to the sum total of the political fence-mending and fence-building that is so feverishly proceeding in Washington preparatory to the election campaigns.

A Sorry Contribution

And what a sorry contribution it is! Whether Mr. Arnold himself is a party to the process or not—a matter of secondary importance in any event—his charges of anti-trust law violation against a large number of American corporations, charges, incidentally, which have as yet not been given a real hearing, have been slyly, and sometimes not so slyly, converted into allegations of incidental if not deliberate retardation of the war production effort from which the country has been saved only by "consent decrees" or more recently by peremptory Presidential action. And this type of political strategy continues, despite the circumstance that in case after case full disclosure of the facts has quickly revealed the flimsy quality of both the allegations and the foul insinuations. It is a disgusting spectacle, to say the least.

But evidence of something akin to political panic in Washington abounds, even if Mr. Arnold and his collaborators are ignored. Take, for example, the almost incredible attitude of the War Labor Board, one of whose recent rulings either utterly belies the President's earlier emphatic assertion that the Government would never compel any man to join any union in order to have his part in war production, or else substitutes for the policy thus rejected by the President one which requires a man to pay tribute to a union to which he does not belong in order to keep his job. One would have to be as naive to see no politics in such a ruling as he would have to be mentally afflicted to find either wisdom or justice in it. There are also the stuttering pronouncements concerning gasoline rationing in the Eastern States, which are wholly incomprehensible except on the assumption that the authorities are suffering from a serious functional disorder of their political nervous systems. The strange proceedings against two large steel producers on charges of violation of priority orders is another case in point—or are we supposed to forget the whole matter now that these actions have presumably by the publicity attendant upon them served their purpose?

Congressional Jitters

If one turns to the halls of Congress, much the same picture is presented. There committees, particularly perhaps the so-called Truman committee, are almost continuously at work upon tasks which can hardly by their very nature be regarded as other than preparation for the coming elections. Congressional participants—and there are many of them—in radio "forums" and the like are also clearly dominated by one idea, that of getting themselves re-elected this autumn, and they often, not to say regularly, make clear enough to any discerning observer the uneasiness they feel as to the outcome of the voting in November. The unwillingness of Congress up to this minute at least to take a position of independence as regards the farmer, and its inability to act in matters that have to do with labor legislation, to say nothing of its apparent lack of interest in eliminating non-essential expenditures, speak volumes for the state of mind there existing.

Cost of Living

The latest and most dramatic evidence of the conviction that the political situation in which the Administration finds itself needs bolstering is presented in the President's message and subsequent radio address on the cost of living. The very substitution of the term "cost of living" for the well-worn word "inflation" was obviously born of political considerations. The precise practical significance of the President's outgivings on this subject are not easy to foresee. Time only will give practical meaning to many of his sentences—or reveal that they have but little. He reiterated his demand for somewhat less special consideration for the farmer, but it remains to be seen whether he is, as a result, in a better position to get what he wants of Congress. As had been more or less expected he adopted as his own the demands of radical labor elements for a "ceiling" of $25,000 over individual net income, but it remains to be seen whether this demand is to be regarded as an announcement of serious intentions to try to force such a measure through Congress, or merely as a political gesture. It likewise, of course, remains to be seen whether he can in any event succeed in any such demand of Congress. As to those safeguards which he promises to place by executive action about the cost of living, the public, or the more thoughtful elements in it, will keep their fingers crossed—at least as long as he keeps in office the existing personnel of the War Labor Board or if forthcoming tax measures do not offer an opportunity for individuals and corporations actually to repay their debts in substantial amounts as the President says he desires. But about one thing all will agree. That is that the message and the radio address are both essentially of a nature usually found in pre-campaign utterances.

The Real Trouble

Now the politicians in Washington who must face the electorate this autumn are probably well warranted in feeling uneasy, but the nature of their difficulty is not what they apparently think it is, and the means they are seeking out to strengthen themselves are not likely to prove particularly effective, or at least such is our considered judgment On the contrary, the type of stage management, the "smearing" tactics, and the *tu quoque* type of defense now being indulged in may be expected to increase the difficulties of those who engage in them. It is, we believe, precisely this type of political conduct which is primarily responsible for the disgust of so many Americans at present. It has long been—or at least for a long while was—the complaint of those in Washington that the American public did not understand that we were at war, or did not comprehend what "total war" implies. The propaganda put in circulation by individuals heretofore considered masters in the field seemed, apparently, to those foregathered in Washington to be strangely ineffective in the face of this situation. Parades and other "shows" staged to arouse enthusiasm have lacked the appeal and the response common in 1917 and 1918. Political managers could not understand it, and their efforts to do something about it seemed to result chiefly in complaints. They apparently still do not understand the situation.

The fact of the matter is that the American people did not want to enter this war. They have entered it without elation. For them there is little glamor in it. It is probably useless, or worse, to try to develop that type of enthusiasm for it. The people, however, fully understand that they are now in it, and that it is necessary to see it through to a fully successful conclusion. To them it is a grim and unpleasant business, and they want to get done with it at the earliest moment. Their complaint is, essentially, that many if not most of those in public office seem to be about as much interested in "playing politics" as they are in winning the war. The people are sick unto death with this endless back biting, this business baiting, this pampering of "pressure groups," this constant attention to stage management. What they want is an adjournment of politics and a complete concentration of attention upon the task of fighting and winning the war. That is precisely what is now so woefully lacking—and the professional politician does not appear to be able to understand either that it is lacking or that the people are deeply dissatisfied because it is lacking.

The State Of Trade

Business activity continues to hold at high levels in most industrial quarters. Carloadings for the week mounted to 846,562 cars of revenue freight according to the Association of American Railroads. This was an increase of 32,329 cars compared with the preceding week; an increase of 137,769 cars, or 19.4%, compared with a year ago, and an increase of 218,094 cars, or 34.7% compared with 1940.

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While electric output declined slightly for the week ended April 18, the rate is well above a year ago because of the volume of war work. But at the same time a number of smaller plants which are not equipped to do war work have been forced to close. The slight weekly setback may reflect an increase in the mortality of this type of company. Production of electricity declined 0.4% in the week ended April 18 to 3,307,700,000 kwh. from 3,320,858,000 in the preceding week, the Edison Electric Institute reported. This was a rise of 14.2% over the 1941 comparative of 2,897,307,000 kwh.

Steel production for the current week is at 98.9% of capacity, 1.3 points higher than last week and 0.1% under the all-time high of 99% in the week beginning March 23, the American Iron and Steel Institute reported.

At 98.9% production for the week is estimated at 1,679,000 net tons of ingots, against 1,657,900 tons last week and 1,521,900 tons in the like 1941 week. The record this year, was 1,681,600 net tons.

The weekly analysis of the steel industry by "Iron Age" noted that a few plants already were beginning to fear that they soon would receive stop-production or slow-down orders on Government work because of the shortage of transportation facilities, both on sea and land.

A marked let-down in advance buying accompanied the moderate slackening last week in retail trade, Dun & Bradstreet observed in its weekly review. Forward buying likewise slumped in the wholesale lines, although demand for summer goods kept the trade busy.

The tapering of consumers' advance purchases was a natural reaction from hoarding, with hesitation in view of pending price ceilings also a factor. However, demand for summer goods stepped up considerably last week in wholesale markets, with retailers requesting immediate delivery to output, for the March 23 week, take advantage of ideal weather conditions in most sections.

According to advices from Washington a huge program of military and war-production projects is now getting under way. According to the Department of Commerce, American builders find themselves today in the midst of a $12,000,000,000 year—biggest in the history of the construction industry. A War Production Board order halting all unnecessary construction still leaves the industry with its greatest prospects ahead of it. In this, construction is one of the more fortunate industries, although individual firms are bound to suffer from the stoppage of building for ordinary civilian purposes.

The pace of building is expected to quicken. The rate of construction during the last half of the year will be greater than at present. As a rough estimate, most of the year's $1,000,000,000 of unessential building already has been done. The rest of the year will be devoted entirely to necessary work, of which roughly $10,000,000,000 will be related to the war effort, advices state. This would cover, in addition to military installations and war-production plants, housing for defense workers, highways and public utilities to meet defense center needs, and farm additions necessary to the drive for increased food production, it is pointed out.

Some $1,000,000,000 of essential civilian construction makes up the rest of the year's expected building.

The War Production Board reports that almost 600 plants have now set up management-labor committees to foster cooperation between employers and employees for the purpose of speeding up war production. Some 2,500 other concerns have been asked to report as soon as possible on the progress they are making in establishing similar committees. While excellent reports come from many sections, it is realized the whole plan of the management-labor committees is still highly experimental, and these committees are feeling their way carefully.

It is pointed out that the exercise of patience and forbearance on each side doubtless could make management-labor committees a helpful vehicle for improving industrial relations in many plants, provided labor recognizes that ultimate responsibility for the adoption and carrying out of production policies must remain with the management.

The Securities and Exchange Commission now compiles regular statistics of individual savings, which indicate that such savings reached a record level during the final quarter of last year. Gross savings by individuals in that three months' period aggregated $6,810,000,000, while savings apart from the purchase of consumer durable goods aggregated $3,800,000,000.

It is pointed out that less than half of these savings were used to purchase defense and other Government bonds during the last three months of 1941. The remainder went chiefly into insurance, bank deposits and currency hoards. While sales of defense bonds have risen considerably during the first quarter of this year, individual savings also are doubtless larger, both because individual incomes have continued to expand and because purchases of durable consumer goods have fallen off sharply.

The statistics on savings published by the SEC, like other current data on national income, show that a wide "inflation gap" exists, because surplus incomes of consumers cannot longer be used to buy durable goods freely or to invest in new issues of securities other than Government obligations. Higher taxation and greatly increased sales of defense bonds could narrow this gap, provided consumer incomes, and hence savings, are not expanded further by wage increases.

President Outlines Anti-Inflation Program—Heavier Taxation, Price, Wage Ceilings

President Roosevelt outlined to Congress on April 27 an "all-embracing" program for the stabilization of the cost of living which included levying heavier taxes, fixing price ceilings, stabilizing wages, rationing scarce commodities, purchasing war bonds, curtailing credit and installment buying, and fixing farm product prices.

Saying that legislation is required on two of these seven points—taxes and farm prices—the President, in a special message, asked Congress to fix a legal profit figure with the Government taking all above that amount and suggested that no individual be permitted to have a net income of more than $25,000 after payment of taxes. With respect to farm prices, Mr. Roosevelt called on the legislators to correct the existing "parity" formula providing for 110% payment, so that farmers would just receive parity, or 100%.

Concerning the other points of his national policy to keep the cost of living from spiraling upward, the President explained that legislation is not required at the present time since Congress has already passed adequate laws.

Regarding wages, President Roosevelt said that he believes they should in general be kept at existing scales. He added that any adjustment would be handled by the War Labor Board machinery.

The President asserted that he preferred to keep purchase of war bonds on a voluntary basis, rather than adopting a compulsory plan, as long as possible, and hopes for a "magnificent response."

He further declared that, while rationing of many basic commodities would not be necessary, those that do become scarce will be equitably distributed.

As the final recommendation, Mr. Roosevelt said that debts should be paid off now, in view of the plentiful supply of money, and installment buying should be cut to a minimum.

Saying that our standard of living will have to come down, the President termed the total effort of the American people an "equality of privilege" and said he was sure that all Americans will welcome this opportunity "to share in the fight of civilized mankind to preserve decency and dignity in modern life."

Pointing out in the concluding part of his message that "each and every one of us will have to give up many things to which we are accustomed," the President went on to say that "we shall have to live our lives with less in the way of creature comforts than we have in time of peace," and that "our standard of living will have to come down." "Some," he said, "have called this an 'economy of sacrifice.' Some interpret it in terms that are more accurate—the 'equality of sacrifice.' " He added:

> I have never been able to bring myself, however, to full acceptance of the word "sacrifice," because free men and women, bred in the concepts of democracy and wedded to the principles of democracy, deem it a privilege rather than a sacrifice to work and to fight for the perpetuation of the democratic ideal. It is, therefore, more true to call this total effort of the American people an "equality of privilege."

The President's message follows in full:

In certain ways the present world-encircling war presents problems which were unimaginable during the First World War.

The theatres of combat today cover vastly greater areas. Many more millions of human beings are involved. The new factors of mechanical power, in the air and on the land and on the sea, have produced radical changes in basic strategy and tactics.

In this new war the nations resisting the Axis powers face an even greater challenge to their very existence. They fight more powerful, more sinister foes, but their understanding of the magnitude of the task and the very firmness of their determination make victory certain in the long days to come.

In some other ways, however, the circumstances of today parallel those of 1917-1918. Now, as in the last war, the common enemy has had all the advantage at the outset. Now, as then, bitter defeats and heavy losses must be endured by those who are defending civilization, before we will be able to establish the vital superiority in men and munitions which will turn the tide.

The United States was far better prepared for actual war on Dec. 7, 1941, than it was on April 6, 1917. For over two years, by a succession of Congressional acts, we had carried out or initiated safety measures for our own defense in growing volume and importance. There were the revisions of the Neutrality Laws, the adoption of the Selective Service Law and the Lend-Lease Law, and the great increases of our Army and Navy and the instruments of war which they needed.

After Pearl Harbor, the American people adopted a national program of war production which would have been called fantastic by most people two years before. It has required the shifting of the major part of American industry from the products of peace to the weapons of war.

Inevitably—but with the full approval of the Nation—this enormous program is dislocating industry, labor, agriculture and finance. It is disrupting, and will continue to disrupt, the normal manner of life of every American and every American family. In this, we repeat the pattern of the first World War, although on a vastly greater scale.

During that earlier war there were certain economic factors which produced unnecessary hardships; and these hardships continued long after the signing of the Armistice. I use the word "unnecessary" because it is my belief that a very great deal of the suffering which was caused then can be avoided now.

These economic factors relate primarily to an easily understood phrase which affects the lives of all of us—the cost of living. Because rises in the cost of living which came with the last war were not checked in the beginning, people in this country paid more than twice as much for the same things in 1920 as they did in 1914.

The rise in the cost of living during this war has begun to parallel the last. The time has definitely come to stop the spiral. And we can face the fact that there must be a drastic reduction in our standard of living.

While the cost of living, based on the average prices of necessaries, has gone up about 15% so far since the Autumn of 1939, we must now act to keep it from soaring another 80% or 90% during the next year or two—to hold it to somewhere near the present level.

There are obvious reasons for taking every step necessary to prevent this rise. I emphasize the words "every step" because no single step would be adequate by itself. Action in one direction alone would be offset by inaction in other directions. Only an all-embracing program will suffice.

When the cost of living spirals upward week after week and month after month, people as a whole are bound to become poorer, because the pay envelope will then lag behind rising retail prices. The price paid for carrying on the war by the Government and, therefore, by the people, will increase by many billions if prices go up. Furthermore, there is an old and true saying that that which goes up must always come down—and you and I know the hardships and heartaches we all went through in the bad years after the last war, when Americans were losing their homes and their farms and their savings and were looking in vain for jobs.

We do not intend after this war to present the same disastrous situation to those brave men who today are fighting our battles in all parts of the world. Safeguarding our economy at home is the very least that our soldiers, sailors and marines have a right to expect of us civilians in government, in industry, on the farm, and in all other walks of life.

We must therefore adopt as one of our principal domestic objectives the stabilization of the cost of living, for this is essential to the fortification of our whole economic structure.

Relying on past and present experience, and leaving out masses of details which relate more to questions of method than to the objective itself, I list for the Congress the following points, which, taken together, may well be called our present national economic policy.

1. To keep the cost of living from spiraling upward, we must tax heavily, and in that process keep personal and corporate profits at a reasonable rate, the word "reasonable" being defined at a low level.

2. To keep the cost of living from spiraling upward, we must fix ceilings on the prices which consumers, retailers, wholesalers and manufacturers pay for the things they buy; and ceilings on rents for dwellings in all areas affected by war industries.

3. To keep the cost of living from spiraling upward, we must stabilize the remuneration received by individuals for their work.

4. To keep the cost of living from spiraling upward, we must stabilize the prices received by growers for the products of their lands.

5. To keep the cost of living from spiraling upward, we must encourage all citizens to contribute to the cost of winning this war by purchasing war bonds with their earnings instead of using those earnings to buy articles which are not essential.

6. To keep the cost of living from spiraling upward, we must ration all essential commodities of which there is a scarcity, so that they may be distributed fairly among consumers and not merely in accordance with financial ability to pay high prices for them.

7. To keep the cost of living from spiraling upward, we must discourage credit and installment buying, and encourage the paying off of debts, mortgages, and other obligations; for this promotes savings, retards excessive buying and adds to the amount available to the creditors for the purchase of war bonds.

I know that you will appreciate that these seven principal points, each and every one of them, will contribute in substantial fashion to the great objective of keeping the cost of living down.

It is my best judgment that only two of these points require legislation at the present time, for the very good reason that the Congress has already passed laws with respect to the others which seem adequate to meet the national policy enunciated.

I assure the Congress that if the required objectives are not attained, and if the cost of living should continue to rise substantially, I shall so advise the Congress, and shall ask for any additional legislation which may be necessary.

In the first item, legislation is necessary, and the subject is now under consideration in the House of Representatives. Its purpose is to keep excess profits down and, at the same time, raise further large sums for the financing of the war.

On this subject, I believe that the objective can be attained through tax processes. We are now spending, solely for war purposes, the sum of about $100,000,000 every day of the week. But before this year is over that rate of expenditure will be doubled. This means that a sum equal to more than half of the entire national income will be spent in the war effort. Almost the whole of these billions is being and will be spent within the United States itself.

Profits must be taxed to the utmost limit consistent with continued production. This means all business profits, not only in making munitions, but in making or selling anything else. Under the proposed new tax law we seek to take by taxation all undue or excess profits. It is incumbent upon the Congress to define undue or excess profits; and anything in excess of that specific figure should go to the Government.

One of our difficulties is to write a law in which some clever people will not find loopholes, or in which some businesses will not be equitably included. I have suggested to the Chairman of the Committee on Ways and Means in the House of Representatives that some blanket clause could well cover, by a special tax, all profits of any kind of business which exceed the expressed definition of the legal profit figure.

At the same time, while the number of individual Americans affected is small, discrepancies between low personal incomes and very high personal incomes should be lessened; and I therefore believe that in time of this grave national danger, when all excess income should go to win the war, no American citizen ought to have a net income, after he has paid his taxes, of more than $25,000 a year. It is indefensible that those who enjoy large incomes from State and local securities should be immune from taxation while we are at war. Interest on such securities should be subject at least to surtaxes.

I earnestly hope that the Congress will pass a new tax bill at the earliest moment possible. Such action is imperative in the comprehensive all-out effort to keep the cost of living down—and time is of the essence.

The second item, relating to price control, is, with the exception of farm prices, adequately covered by existing law, and I have issued instructions to put this into effect immediately. It is our effort to be fair in all phases of price control, and if our future experience reveals inequality or unfairness, corrections will, of course, be made.

In respect to the third item, seeking to stabilize remuneration for work, legislation is not required under present circumstances. I believe that stabilizing the cost of living will mean that wages in general can and should be kept at existing scales.

Organized labor has voluntarily given up its right to strike during the war. Therefore all stabilization or adjustment of wages will be settled by the War Labor Board machinery which has been generally accepted by industry and labor for the settlement of all disputes.

All strikes are at a minimum. Existing contracts between employers and employes must, in all fairness, be carried out to the expiration date of those contracts. The existing machinery for labor disputes will, of course, continue to give due consideration to inequalities and the elimination of sub-standards of living. I repeat that all of these processes now in existence will work equitably for the overwhelming proportion of all our workers if we can keep the cost of living down and stabilize their remuneration.

Most workers in munition industries are working far more than 40 hours a week and should continue to be paid at time and a half for overtime. Otherwise, their weekly pay envelopes would be reduced.

All these policies will guide all government agencies.

In regard to item four, prices of farm products: for nearly nine years it has been the policy of the government to seek an objective known as "parity"—or, in other words, farm prices that give the farmer an assurance of equality in individual purchasing power with his fellow-Americans who work in industry. Some of the products of the farms have not yet reached the stage of parity. Others have exceeded parity. Under existing legislation a ceiling cannot be placed on certain products until they reach a level somewhat above parity.

This calls for the second legislative action which I have mentioned. Under a complicated formula in the existing law, prices for farm products—prices which housewives have to pay for many articles of food—may rise to 110% of parity or even higher. It is the fault of the formula. In the case of many articles this can mean a dangerous increase in the cost of living for the average family over present prices.

In fairness to the American people as a whole, and adhering to the purpose of keeping the cost of living from going up, I ask that this formula be corrected, and that the original and excellent objective of obtaining parity for the farmers of the United States be restored.

It would be equally harmful to the process of keeping down the cost of living if any law were passed preventing the government from seling any of its own surplus farm commodities at the market price. As a national policy, the ceiling on farm products—in other words, the maximum prices to be received by the producers of these products—should be set at parity.

With respect to item five—the purchase of war bonds—the American people know that if we would raise the billions which we now need to pay for the war and at the same time prevent a disastrous rise in the cost of living, we shall have to double, and more than double, the scale of our savings. Every dime and dollar not vitally needed for absolute necessities should go into war bonds and stamps to add to the striking power of our armed forces.

If these purchases are to have a material effect in restraining price increases they must be made out of current income. In almost every individual case they should be big enough to mean rigid self-denial, a substantial reduction for most of us in the scale of expenditure that is comfortable and easy for us. We cannot fight this war, we cannot exert our maximum effort, on a spend-as-usual basis. We cannot have all we want if our soldiers and sailors are to have all they need.

I have been urged by many person and groups to recommend the adoption of a compulsory plan of savings by deducting a certain percentage of every one's income. I prefer, however, to keep the voluntary plan in effect as long as possible, and I hope for a magnificent response.

With respect to item six—rationing—it is obviously fair that where there is not enough of any essential commodity to meet all civilian demands, those who can afford to pay more for the commodity should not be privileged over others who cannot. I am confident that as to many basic necessities of life rationing will not be necessary, because we shall strive to the utmost to have an adequate supply. But where any important article becomes scarce, rationing is the democratic, equitable solution.

Item seven—paying off debts and curtailing installment buying—should be made effective as soon as possible now that money is becoming more plentiful. Those who comply with it will be grateful that they have done so, when this war is over. Elimination of private debts and an accumulation of savings will provide a form of insurance against post-war depression. The Federal agency responsible for the control of credit for installment buying is taking appropriate action.

Indeed, as to all the items which do not require legislation, the executive departments and agencies whose functions and duties are involved, are at work as expeditiously as possible in carrying out this whole broad policy.

The result will mean that each and every one of us will have to give up many things to which we are accustomed. We shall have to live our lives with less in the way of creature comforts than we have in time of peace. Our standard of living will have to come down.

Some have called this an "economy of sacrifice." Some interpret it in terms that are more accurate—the "equality of sacrifice."

I have never been able to bring myself, however, to full acceptance of the word "sacrifice," because free men and women, bred in the concepts of democracy and wedded to the principles of democracy, deem it a privilege rather than a sacrifice to work and to fight for the perpetuation of the democratic ideal. It is, therefore, more true to call this total effort oı the American people an "equality of privilege."

I firmly believe that Americans all will welcome this opportunity to share in the fight of civilized mankind to preserve decency and dignity in modern life. For this is fundamentally a people's war—and it must be followed by a people's peace.

The achievement of victory in war and security in peace requires the participation of all the people in the common effort for our common cause.

FRANKLIN D. ROOSEVELT.

The White House,
April 27, 1942.

President Says Civilization Must Be Paid For In "Hard Work, Sorrow And Blood"

President Roosevelt on April 28 told the American people that "the price for civilization must be paid in hard work and sorrow and blood." He declared that "the price is not too high," and he added "if you doubt it, ask those millions who live today under the tyranny of Hitlerism." The President noted that "not all of us can have the privilege of fighting our enemies in distant parts of the world." He further said:

> Not all of us can have the privilege of working in a munitions factory or shipyard, or on the farms or in oil fields or mines, producing the weapons or the raw materials which are needed by our armed forces.
>
> But there is one front and one battle where every one in the United States — every man, woman and child—is in action, and will be privileged to remain in action throughout this war. That front is right here at home, in our daily lives and in our daily tasks. Here at home every one will have the privilege of making whatever self-denial is necessary, not only to supply our fighting men, but to keep the economic structure of our country fortified and secure during the war and after the war.

The President's remarks were contained in a Nation-wide radio address, from Washington, in which he reiterated the seven-point program submitted to Congress on April 27 for keeping the cost of living down and asserted that every single person in the country will be affected indirectly by all of the points—covering prices, profits, wages, taxes and debts. He stated that he will use all of his executive power to carry out the policy.

Declaring that "this great war effort must be carried through to its victorious conclusion by the indomitable will and determination of the people," the President averred that "it must not be impeded by the faint of heart," that "it must not be impeded by those who put their own selfish interests above the interests of the Nation."

Stating that "I shall use all of the executive power that I have to carry out the policy laid down," the President added:

> If it becomes necessary to ask for any additional legislation in order to attain our objective of preventing a spiral in the cost of living, I shall do so.
>
> I know the American farmer, the American workman, the American business man. I know that they will gladly embrace this economy of sacrifice—satisfied that it is necessary for the most vital and compelling motive in all their lives—winning, through to victory.

Observing that "we are now spending, solely for war purposes, the sum of about $100,000,000 every day in the week," the President indicated that "before this year is over that almost unbelievable rate of expenditure will be doubled."

Referring to the recent news of a change of Government in France, the President had the following to say, in part:

> The United Nations will take measures, if necessray, to prevent the use of French territory in any part of the world for military purposes by the Axis Powers. The good people of France will readily understand that such action is essential for the United Nations to prevent assistance to the armies or navies or air forces of Germany, Italy and Japan. The overwhelming majority of the French people understand that the fight of the United Nations is fundamentally their fight, that our victory means the restoration of a free and independent France—and the saving of France from the slavery which would be imposed upon her by her external enemies and her internal traitors.

The President likewise said: "Our planes are helping in the defense of French colonies today, and soon American Flying Fortresses will be fighting for the liberation of the darkened continent of Europe."

While conceding that "in the Far East we have passed through a phase of serious losses," the President made the statement that "Australia, New Zealand and much other territory will be bases for offensive action—and we are determined that the territory that has been lost will be regained." The President further remarked that "I want to say to the gallant people of China that no matter what advances the Japanese may make, ways will be found to deliver airplanes and munitions of war to the armies of Generalissimo Chiang Kai-shek."

Among other things, the President related some instances typical of individual heroism and skill by members of our armed forces.

OPA Establishes Overall Price Ceilings

(Continued from First Page)

Effective Dates: The ceiling on wholesale prices and services at wholesale levels is effective May 11, 1942. The ceiling on retail prices of articles is effective May 18, 1942. The ceiling on sale of services at retail is effective July 1, 1942. Other provisions of the order are effective on May 11.

Covered by the Ceilings: The prices of important foods, including bread and packaged flour mixes, peanuts, bananas, beef, milk and cream sold at retail and ice cream. All clothing, shoes, tobacco, furniture and hardware. Separate orders cover prices for coal and fuel oil, newsprint, paper, gasoline, and rubber footwear. Services covered include tailoring, shoe repairing, automobile repairs, laundering, dry cleaning and storage.

Products Exempt: Maximum prices already provided in earlier orders. "Any raw and unprocessed agricultural commodity (wheat and cotton for example) or greenhouse commodity while it remains in substantially its original state" is exempt. Other important exemptions listed in Section 9(A) of the order include eggs and poultry, cheese and butter, condensed and evaporated milk, flour, dried prunes and dry edible beans, leaf tobacco, living animals, domestic ores and concentrates, used automobiles, naval stores at producer levels, securities, and publications.

* * *

Rents

The OPA designated 302 new groups of communities in 46 states and Puerto Rico as "defense rental areas," and recommended establishment of March 1, 1942, rent levels in four-fifths of them. In 64 areas, it was recommended that rents be cut back to specified levels in effect on Jan. 1, April 1, or July 1, 1941.

If the recommendations for cut-back in rents are not adhered to within 60 days under the law the OPA may issue maximum rent regulations.

The rent areas covered by the recommendations house about 86,000,000 people.

The OPA also recommended that evictions be restrained.

In some sections, rents have gone beyond reasonable bounds, doubling and trebling in many individual cases, the OPA said in explaining its recommendations for reductions.

The OPA is expected within a month to set formal rent ceilings for some of the 21 areas designated in March.

Including Puerto Rico, the list of defense-rental areas now totals 323.

OPA Amends Rules For Automobile Rationing

In order to increase the flow of new passenger cars to eligible buyers and to assure more uniform treatment of applicants for automobile rationing certificates throughout the country, the Office of Price Administration has made changes in its automobile rationing regulations (effective April 29), Price Administrator Leon Henderson announced on April 26. The announcement stated:

> This is in accordance with the Administrator's express policy of releasing all new passenger automobiles, except those in the Government "pool," within a 12-month period after the beginning of rationing on March 2 of this year. Sales so far under rationing have been at a rate considerably less than was expected at the time quotas were allotted for March, April and May.
>
> The new amendment revises completely the section of the Automobile Rationing order which requires an applicant to prove that he needs a new passenger automobile before a Local Rationing Board may issue a certificate. The applicant must still prove that he needs a car to carry on efficiently essential civilian services or war work, but the standard of need has been simplified and relaxed.
>
> An eligible applicant may establish need for an automobile by meeting any of the following conditions:
>
> That he must travel quickly and would be better able to do so by automobile than by other means of transportation.
>
> That he must transport passengers or heavy or bulky tools or materials.
>
> That without a car he would have to walk at least three miles in going to and coming from work.
>
> That he would have to spend at least 1½ hours in going to and coming from work without a car, and could save 45 minutes by using one.
>
> That his work is arduous, or his hours unusually long, or that he must travel late at night.
>
> That local transportation services are over-crowded.
>
> That his physical condition would make it a hardship for him to walk or to use public transportation facilities.
>
> That he clearly needs an automobile because of other unusual circumstances.
>
> If the applicant fulfills one or more of the above conditions, he may qualify for a new car purchase certificate by showing that he does not already have an automobile adequate for his purposes. A Board may decide that a car is inadequate if (a) it is a 1939 or earlier model; or (b) it has been driven more than 40,000 miles; or (c) it has been rendered unserviceable by fire, collision or otherwise; or (d) it is not reliable enough for the services it is to perform; or (e) demands upon the applicant for the specified services have increased to such an extent that he needs an additional automobile to render such services.
>
> These changes are brought about by Amendment No. 6 to the New Passenger Automobile Rationing Regulations, which is to go into effect April 29, 1942.

Commenting on the objectives of the new amendment, Mr. Henderson said:

> When automobile rationing began there were some 535,000 new passenger automobiles in the hands of dealers, distributors, and manufacturers throughout the United States. It was then and still is our policy to distribute the major part of these cars—roughly 400,000 of them — during the first 12 months of the operation of the rationing system. The remainder—about 135,000—have been earmarked as a reserve pool to meet military and essential civilian needs thereafter.
>
> We are fully aware that the reserve pool is pitifully small to meet our needs after March, 1943. Requirements of the military services for passenger automobiles will increase next year. Police services must be expanded in certain areas, and thousands of additional cars will be necessary to transport workers to defense plants now under construction. In addition, we will have to replace automobiles that will be worn out or wrecked in important civilian services.
>
> Nevertheless, two primary considerations make it appear desirable to distribute the major part of our passenger car stock over a relatively short period.
>
> First, even though a serious scarcity of automobiles is in prospect due to the stoppage of production, the present stock of automobiles is taxing our storage facilities. Reduction of this stock will release warehouse space badly needed for storing commodities.
>
> Second, automobiles depreciate in storage even under the more favorable storage conditions. Some deterioration is bound to occur with the passage of time. The rate of depreciation is greater where the conditions of storage prevent occasional starting of motors and movements of cars. When automobiles are stored in open lots exposed to the weather, as is now the case in some areas, depreciation is rapid unless exceptional precautions are taken.
>
> The present amendment to the new Automobile Rationing Regulations results from reports received recently from State Rationing Administrators which indicate that new passenger automobiles are now moving at about 40% of the quota rate. By relaxing the age and mileage requirements for trade-ins, and by establishing relatively liberal tests of need, this amendment undoubtedly will increase the flow of cars into the hands of eligible buyers.
>
> There are, however, other factors which have held up the movement of automobiles. Some eligible persons who need to replace their cars are not doing so because they believe it to be unpatriotic.
>
> To such people, I would like to say that there is nothing unpatriotic about replacing a car which is used to perform essential services and which would have to be replaced next year or the year after. To the extent that we can equip those who need automobiles for the performance of essential services with the best available transportation, we will be cutting costs of storage and reducing next year's automobile requirements. Those who obtain new automobiles under the rationing program have, however, a special responsibility for using their cars sparingly, for driving slowly and carefully, and for keeping their automobiles and tires in the best condition possible.

Autos Exceed Estimate

The Office of Price Administration announced on April 22 that an official count shows that the number of new automobiles available for rationing this year is about 60,000 greater than the 340,000 originally indicated by manufacturers' reports. Passenger car figures show approximately 400,000 new automobiles in the hands of dealers, distributors and manufacturers as of Feb. 11, in addition to the 140,000 held in the Govern- tificates from the 400,000 outside ment pool.

Conflicting Announcements From Washington Called Most Disconcerting Element In War Effort

A telegraphic message was sent to President Roosevelt on April 26 by Gov. Wills, of Vermont, bearing on public announcements emanating from Washington, which he termed "the most disconcerting element in the entire war effort today." Gov. Wills' message, as given in Montpelier advices to the New York "Times," said:

> The most disconcerting element in the entire war effort today is the cross-purpose announcements originating in Washington from the many governmental agencies which there abound.
>
> Nothing is more disruptive of national morale. Nothing could serve the purposes of our enemies to better advantage.
>
> I cite the conflicting gasoline-rationing program announcements which have appeared in the press in the last few days as current example No. 1.
>
> The American people are not children who have to be frightened by bogeymen. They do not need to be browbeaten. They will meet the demands made upon them if they know there is a valid basis for those demands.
>
> They appreciate the terrible seriousness of the war. Their most earnest desire is to participate in our country's war effort to the limit of their abilities and capacities.
>
> It is respectfully suggested that until Federal policy has reached more than preliminary discussion stages, until policies have become more than hazy dreams in the minds of administrators, no public announcement of such policies be made.

'Gas' Rationing May 15

Acting on information supplied by Harold L. Ickes, Petroleum Coordinator, and at the direction of the War Production Board, Price Administrator Leon Henderson on April 23 announced that a temporary plan for rationing gasoline in 17 Eastern States and the District of Columbia would be instituted May 15.

This plan, designed to meet the immediate emergency in the Eastern States affected by the recent gasoline limitation order of the Office of Petroleum Coordinator, is an interim plan, which will probably operate only until July 1, when it is planned to institute a more elaborate and comprehensive coupon rationing system. The amount of gasoline that a user may receive under the plan will be announced before May 15.

The states to be rationed gasoline under the interim plan are: Connecticut, Delaware, Florida, Georgia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, West Virginia, and the District of Columbia.

The temporary plan, designed to be put into effect quickly, the Administrator pointed out, was adopted to assure the public of fair distribution of the curtailed supplies of gasoline under the new limitation order, which reduces deliveries to gasoline retailers by 33⅓%.

"The petroleum shortage in the East arises, not from a scarcity of crude or from refinery facilities, but from a lack of transportation means," Mr. Henderson said. "Normally more than 90% of the 1,500,000 barrels of petroleum products we consume daily in the East is brought in by tanker. Since the start of the war many tankers have been sunk by enemy submarine action, and sinkings continue. At the same time the Army and Navy, preparing for offensive action at the earliest possible moment, need every tanker that can be pressed into military service.

"There is also an ever growing demand for petroleum products on the home front, and every gallon that comes in to any area must be wisely used."

Registration days for obtaining gasoline rationing cards will be May 12, 13, and 14.

A highly erroneous calculation by a subordinate in Mr. Henderson's office caused last week's frightening but false report that gasoline would be cut to two and a half to five gallons a week for each motorist, it was established on April 23 as Mr. Henderson and Mr. Ickes joined in saying that the rationing wouldn't be nearly so severe as that.

Wright W. Gary, director of the refining division of the Office of Petroleum Coordinator, it was stated on April 27, estimated that any rationing program would have to reduce gasoline consumption by at least 50%. That would allow motorists an average of six gallons a week. He also confirmed reports that deliveries to east coast filling stations probably would be cut to 50% of normal on May 1, pending initiation of card rationing.

Atlantic Seaboard To Be Military Area

Lt.-Gen. Hugh A. Drum, commanding general of the Eastern Defense Command and the First Army, announced in New York on April 26 that there would soon be established an Eastern Military Area along the entire Atlantic coast, with the Army taking control over all lighting for the protection of shipping and assuming regulation of enemy aliens. In his statement General Drum explained that "the object of prescribing a military area is to facilitate control so as to prevent subversive activities and aid being given the enemy, such as by lighting along our coasts." He emphasized that no "mass evacuation" is planned, and that "regulation or control of conduct is the keynote of the plan."

His statement added:

> The fundamental policy embodied in the plan is not to interfere in any manner whatever with the lives of the great mass of loyal Americans in the States included in the military area, or with the economic life of the area, but it does express the determination of the military authorities to prevent any enemy sympathizer, whether alien enemy, alien of other nationality or disloyal American, if any exist, from committing any act detrimental to the national security. Those persons whose conduct reflects their patriotic motives will not be affected by this administration."

The plan covers 16 Eastern States, from Maine to Florida, and the District of Columbia, with commanding generals for the four corps areas in the territory assuming control.

Major-General Irving J. Phillipson, commanding general of the Second Corps Area, embracing New York, New Jersey and Delaware, on April 27 issued strict regulations concerning shore lighting. He warned that if the light dimming rules were not observed complete blackout of localities will be ordered. Similar rules were issued for the other zones.

One of the lighting restrictions require that—

> All lights in buildings above the 15th floor shall be extinguished after sundown, or in lieu thereof the windows of such rooms shall be shaded in a manner to prevent direct rays of lights therein from shining outside of such buildings.
>
> Windows and other outlets of all commercial establishments, hotels or dwellings, adjacent to the coast shall be so shaded or darkened that direct lights therefrom shall not shine to seaward and illumination therefrom shall not be visible at a distance greater than one mile from shore.

As to the above requirement, Lt.-Col. Edward B. Towns, liaison officer for the Second Corps Area with civilian defense, was reported in the New York "Sun" of April 28 as stating that "the use of ordinary shades will comply with this. All that is prohibited is the direct shine of the light itself. We would advise, however, that where shades would have to be procured that the building management consider installing shades of opaque material which can be utilized for complete blackout as well as mere dimming out."

The First Corps Area, under the command of Major-Gen. Sherman Miles, consists of Maine, New Hampshire, Vermont, Massachusetts, Connecticut and Rhode Island. This area began darkening its lights on April 26.

In the Third Corps Area, Major-Gen. Milton A. Reckord is commanding the States of Pennsylvania, Virginia, Maryland and the District of Columbia.

The area in the Fourth Corps, under the direction of Major-Gen. J. P. Smith, includes North and South Carolina, Georgia and that part of Florida east of the Apalachicola River.

Warns Industry To End Trusts Or Be Drafted

Thurman Arnold, Assistant Attorney General, told the Senate Patents Committee on April 24 that unless industry eliminated restraints and monopolistic practices in war production it would be drafted.

Mr. Arnold, Chief of the Justice Department's Anti-Trust Division, and Edward H. Levi, Chief of the Consent Decree Section, agreed there were flaws in the decree dealing with magnesium production, but both insisted the decree would permit speedy war-time production of the light metal, which they said was better than aluminum for many military uses.

Reporting on their testimony, Associated Press Washington advices of April 24 said:

> Both officials testified that attorneys for large corporations were contending that actual trial of anti-trust indictments and suits would impede or halt war-production efforts and were asking delays or favorable consent decree terms.
>
> This brought comment from Chairman Bone, Democrat, of Washington, of the Patents Committee, that boys and men who were being drafted, to give their lives, if necessary, had no chance to jockey around about terms or court delays. Senator Bone asked if criticism of terms in the magnesium consent decree would result in better settlements in the future.
>
> "You can't negotiate very successfully," Mr. Levi replied, "when defendants know that the suits against them are not going to be tried."
>
> Mr. Levi said that in the magnesium case the original proposals were fair, from the public viewpoint, but got "steadily worse during four months of negotiation."
>
> Mr. Arnold noted that every war in history had resulted in vast opportunity for profits, and that even drafting of industry would produce the added problem of finding management.
>
> The Assistant Attorney General told Senator Bone that the consent decree in the magnesium case could not be used as a basis for suits for treble damages. (Under the anti-trust laws a firm which feels itself injured can, in certain circumstances, bring suit against another firm for treble damages.)
>
> "I don't believe in treble damages because I don't believe in private police forces," Mr. Arnold said. "Why, I've actually seen a gambler's syndicate made up to bring treble damage suits."
>
> Senator La Follette, in his questioning and criticism of the magnesium consent decree, protested that while patents were made available, nothing was said about the necessary knowledge, skill, or "know how" to utilize these patents.
>
> The Senator also complained that the decree failed to protect against future use of United States patents in an international cartel. "All these guys have to do is have a paper that looks like a patent and then they get in a huddle and form an international cartel," he said.
>
> Mr. Arnold agreed, but said he believed the important thing had been achieved, in that the magnesium patents were released so production of the vital war metal could be stepped up in the United States.

Limit Cotton Textile Price

Maximum price ceilings were extended to cover virtually the entire cotton textile field in an order issued April 23 by the Office of Price Administration. It was explained by Price Administrator Leon Henderson that the price structure of the industry had become "greatly distorted" because some cotton textiles were subject to ceilings and others free to rise without any formal restriction.

The schedule, effective May 4, covers chiefly manufacturers' sales of "cotton products" and provides a method for determining ceiling prices for many special constructions of textile merchandise prepared by large cotton mills for consumers. Wholesalers, jobbers and retailers who perform their normal service are exempt from the provisions. It was pointed out that the regulation, in effect, establishes maximum prices for "cotton products" at considerably lower levels than the present market and brings them substantially into line with cotton yarn and textile prices already under ceilings. A base pricing period from July 21 through Aug. 15, 1941, is established.

The OPA on April 27 placed permanent price ceilings on the amounts which converters and wholesalers may charge for finished goods made of cotton, rayon and their mixtures at substantially lower levels than the temporary ceilings imposed last March.

In a companion order the OPA fixed maximum charges which converters may obtain for their costs of transforming "gray" goods into finished textiles, through such processes as bleaching, dyeing, napping, printing or mercerizing.

WPB Limits New Phones

The War Production Board on April 23 established rigid control over all new installations of telephones and extensions in an effort to save large quantities of critical materials needed for the war. The WPB order said that only persons or organizations engaged in direct war work or in occupations essential to public welfare may be sure of obtaining new telephone service hereafter, and that new connections might be denied to groups outside the preferred categories unless existing exchange lines capacity could take care of their needs without disrupting essential service.

Based on estimates furnished the WPB by the Bell System, largest telephone network operator in the country, it is said the restrictions will result in denial of about 200,000 applications for mainline residential service this year. Last year the Bell System made about 3,649,000 such installations.

The order is expected to result in annual savings of about 53,000 tons of lead, 35,000 tons of iron and steel, 54,000 tons of copper, 6,500 tons of zinc, 1,890 tons of crude rubber, and large amounts of other critical war materials.

The English Gold And Silver Markets

We reprint the following from the monthly circular of Samuel Montagu & Co. of London, written under date of April 1, 1942:

Gold

The amount of gold held in the Issue Department of the Bank of England during the months of January, February and March 1942 was unaltered at £241,575.

The Bank of England's buying price for gold remained unchanged at 168s/- per fine ounce, at which figure the above amount was calculated.

The gold output of the Transvaal for the months of January and February 1942 were respectively 1,216,164 fine ounces and 1,129,319. Comparative figures for the same months of 1941 were 1,211,271 and 1,129,975 fine ounces.

Silver

On Jan. 2, the first working day of 1942, prices were unchanged at 23½d. for both cash and two months' delivery; the cash quotation remained unchanged at that figure throughout the first three months of the year, whilst that for two months varied only between 23½d. and 23 9/16d.

Conditions continued to be quiet, with buying chiefly for trade requirements, demand being met partly by sales from the official quarter and partly by silver from production sources. There was also some carrying forward of bull commitments.

News was received from Bombay on Feb. 20 that the Reserve Bank of India had suspended sales of silver and so far they have not been resumed. No official statement has been made as to the reason, but it was at first suggested in some quarters that heavy demand for silver had caused congestion in the melting of rupee coin into bars for the market. However in view of the time that sales have been in abeyance, it would seem that there were other considerations; the situation in the Far East was bound to cause a certain amount of speculation in silver and during this phase the Indian authorities may have deemed it expedient to withhold sales. Although there were no repercussions in the London Market, prices rose very sharply in Bombay and on March 12 the quotation for April settlement reached Rs. 90.8.0 per 100 tolas; allowing for import duty, but not for shipping expenses, this is equivalent to about 37⅛d. per ounce standard. The rate has since reacted and was quoted at Rs. 82 per 100 tolas on the last day of March.

Quotations in London
(Bar Silver per ounce std.)

Cash Delivery: 23½d. throughout
Two months'

January 1942
Jan. 2 to 9 23½d.
Jan. 12 to 30 23 9/16d.

February 1942
Cash Delivery: 23½d. throughout
Two months'
Feb. 2 to 12 23 9/16d.
Feb. 13 to 18 23½d.
Feb. 19 to 23 23 9/16d.
Feb. 24 to 27 23½d.

March 1942
Cash Delivery: 23½d. throughout
Two months'
Mar. 2 to 12 23½d.
Mar. 13 to 16 23 9/16d.
Mar. 17 to 31 23½d.

Says U. S. Must Protect Essential Freedoms

"Wartime is no time for consideration of wages, hours, prices, profits or politics or other manifestations of personal greed or advantage to stand in the way of an all-out effort to meet the peril that threatens to destroy the things in life worth fighting and worth dying for," said A. L. M. Wiggins, Second Vice President of the American Bankers' Association in an address in Chicago on April 15 before a Credit Clinic of the Association. Mr. Wiggins declared that "the people demand that there be an end to profiteering either by capital or by labor," . . . and that government set an example of economy in non-war outlays of money and in the reduction of non-war personnel which is not essential for the requirement of civilian life."

He further said "there is no less demand upon banks, bankers, and the credit structure of this nation." He added:

> It is recognized that adequate financing of production is indispensable to a successful war effort. Credit considerations of ordinary peace times must be reorganized to supply the credit requirements of a war economy. In that reorganization, a heavy responsibility rests upon the banker who must on the one hand help provide whatever credit may be required, and at the same time protect the credit structure and the soundness of the institution whose funds he administers."

In asserting that America must protect democracy from within while defending it against attack without, Mr. Wiggins stated:

> There is one price that we do not need to pay to win this war. It is a price against which we must guard our national life. That price is the loss of democracy in America. The concentration of power in a unified national effort is necessary for the prosecution of war. We must give up for the war period many of the rights and privileges which are enjoyed by democratic people in peace time. But we should be sure that this giving up is merely a loan for the war period and is in no sense a permanent surrender. We must guard against the enemies of democratic institutions who would use the stern necessities of war to destroy our democratic institutions. We must protect the essential freedoms of free men; the freedom of speech and of the press to criticize incompetent leadership or inadequate effort. But it is a solemn obligation on the part of all that such criticism should implement and help in the successful prosecution of the war rather than to hinder it in any way.

Referring to the Government's war financing plans Mr. Wiggins stated that "aside from all of the industrial, commercial and agricultural financing to be done by banks, they must assume the major task of financing government."

In part Mr. Wiggins further said:

> According to the Secretary of the Treasury, 40 billions of dollars of loans must be financed by government in the year ahead. This is in addition to the enlarged tax program which alone will absorb more than one-fourth of the national income.
>
> This vast sum of borrowing in one year represents an amount equal to two-thirds of the total deposits of all of the banks. It is a figure that is almost beyond human comprehension. Yet the money will be raised because it must be raised. As custodians of the principal credit reservoir in America, it is a primary concern to bankers as to how this sum shall be raised. The extent to which the borrowings of government enlarge the commercial deposit structure of the banking system and the character of government securities purchased by banks to offset the deposit rise may determine the future of chartered banking in this country.

Advantage In Accounts Receivable Financing

There are distinct advantages for both the borrower and the lender in accounts receivable financing, Harry C. Culshaw, Assistant Vice-President of the Pennsylvania Company for Insurances on Lives and Granting Annuities, Philadelphia, stated on April 16 before the recent credit clinic of the American Bankers Association, held in Chicago. Such business is growing and gaining in prestige, Mr. Culshaw said, and for the borrower, there are at least four advantages. These, he said, were:

> 1. His financial statement may not entitle him to unsecured credit or at least not enough credit, and he is able through the medium of discounting his receivables to obtain adequate working capital.
> 2. It enables him to take advantage of his trade discounts, and this as a matter of simple mathematical computation often more than pays for the financing costs, aside from putting him in a preferred position with the trade.
> 3. It will enable him to increase his sales volumes, which should increase his profit margin and his net profits.
> 4. It may enable him to remain in business. This latter is extremely important today and will become increasingly more important in the very near future. So many concerns are swamped with orders today that they find it increasingly difficult to finance their volume and as a result they ship to those concerns that discount and pay their bills promptly. Hence, a company may be enabled to stay in business because it can pay its trade bills promptly and thus be assured of raw materials.

Perhaps the main advantage so far as banks are concerned in making loans against the assignment of accounts receivable, Mr. Culshaw said, is that it is a possible avenue for lending to firms whose financial statement and credit standing preclude classification as desirable risks for direct credit.

Dependency Status Of Draft Registrants

In the determination of the dependency status of a draft registrant it is stated that the birth of a child on or after Dec. 8, 1941, or the pregnancy of a wife since then, will not serve as an excuse for deferring a registrant from miliary service, if he acquired that status when induction was imminent, or for the primary purpose of eluding the draft. The New York "Herald Tribune" of April 25 gives as authority for this a memorandum from National Selective Service headquarters, made public on April 24. The "Herald Tribune" further reported:

> The new orders, sent to State headquarters for distribution to local boards, also set up a new subdivision in class 3 "to prepare for the possibility that the need for man-power may require the induction of many registrants with dependents."
>
> Under this rearrangement men with dependents who are engaged in activities essential to the war production program or the war effort will be set aside as class 3-B. Such men would be in class 2-A if they had no dependents. The designation 3-A will be reserved for men with dependents in non-essential occupations.
>
> The new rules were announced last night in Trenton, N. J., by Lt.-Col. Edgar N. Bloomer, acting director of selective service in New Jersey. Col. Arthur V. McDermott, director for the New York area, said the memorandum had reached his office but he was not ready to comment on it.
>
> The instructions regarding pregnancy or birth after Dec. 8 read as follows:
>
> "In cases where dependency status was acquired on or after Dec. 8, 1941, or acquired when induction was imminent or for the primary purpose of providing a basis for dependency deferment, pregnancy, birth, or acquiring a child, shall not be cause for classification in class 3-A or 3-B."
>
> **Storm of Protests**
>
> The ruling settles a problem which arose out of a recent amendment to the selective service regulations providing that no deferment should be granted to couples married after Dec. 8 unless their marriage was caused by "circumstances beyond their control." Subsequently many men classified as 1-A under this rule became fathers, and on appeal to President Roosevelt they were in some classes reclassified as 3-A so they could look after their children. This action created a storm of protest from local boards which believed that the young men had become fathers primarily because they wanted to avoid military service. The ruling announced last night was the result.
>
> The new rules also bar 3-A or 3-B classification in cases where "no actual financial dependency previously existed," but a wife or other dependent who had been adequately providing for herself gave up the job for the primary purpose of affording a basis for dependency deferment.
>
> Local boards were cautioned to use their judgment in classifying and reclassifying registrants with dependents. The new class 3-A will be used as a pool should a shortage of class 1-A men develop, the memorandum indicated.

Man Power Board Plans Labor Priorities

In addition to those previously named as members of the War Manpower Commission, President Roosevelt on April 26 designated the other eight members, who will serve with Paul V. McNutt, Chairman, "to assure the most effective mobilization and effective utilization of the Nation's man-power in the prosecution of the war."

One of the additional appointees to the Commission is Wendell Lund, former official of the Michigan Unemployment Compensation Commission, who will represent the Labor Production Division of the War Production Board.

The other newly-appointed members of the Manpower Commission are: James V. Forrestal, Undersecretary of the Navy; Secretary of Agriculture Claude Wickard; Secretary of Labor Frances Perkins; Goldthwaite H. Dorr, New York lawyer, who has been civilian consultant to Secretary of War Stimson since January; Chairman Donald M. Nelson of the WPB; Major-Gen. Lewis B. Hershey, Selective Service Director, and Arthur S. Flemming, a member of the Civil Service Commission.

Each will represent on the Manpower Commission the department or agency to which he is now assigned.

Mr. McNutt, who is also Federal Security Administrator, said on April 20 that he proposed to create a system of labor priorities for supplying labor to the most important war industries. The Chairman of the Manpower Commission stated that he would not be in favor of a labor draft and hopes to keep the labor priorities system on a voluntary basis. He estimated that 13,000,000 new workers will be needed this year in war plants. Mr. McNutt also said that he favored a program of "group" deferments from selective service, but admitted that this probably would first require legislation. He also criticized the policy of many war production plants of obtaining workers by "pirating" them from other employers in related industries by offering higher wages.

Chairman McNutt said on April 21 that the United States Employment Service will recruit high school and college students for farm work during the summer. He explained that they will be sent to farm jobs only when required to replace regular farm laborers and under arrangements carefully planned to protect their health and welfare and at the same time to meet farmers' needs.

Creation of the Manpower Commission by the President was referred to in these columns April 23, page 1631.

President May Set New War Output Goals

President Roosevelt told his press conference on April 24 that the war production program is working out extremely well and intimated that the goals set in January might be raised. In his message to Congress on Jan. 6, the President called for production of 185,000 planes, 120,000 tanks, 55,000 anti-aircraft guns and 18,000,000 tons of shipping in 1942 and 1943.

Saying that only shipbuilding is lagging because of a shortage of steel, the President on April 24 expressed the opinion that civilian consumption of steel is too great but added that the War Production Board held a contrary view. A survey in the matter he indicated is in progress.

In reply to a question as to the country's steel capacity, the President said that the plants now under construction may not meet demands because by the time they are in operation there might be a new production program.

WPB Orders Increase In Synthetic Rubber

The War Production Board has authorized the Reconstruction Finance Corporation to provide facilities for an annual productive capacity of 700,000 tons of Buna S synthetic rubber to be in operation not later than the end of 1943, it was announced April 25 by WPB Chief Donald M. Nelson and Coordinator for Rubber Arthur B. Newhall. This represents an increase of 100,000 tons in the Buna S program previously authorized by the WPB, and is in addition to the planned capacity for Butyl synthetic rubber and neoprene, totaling 100,000 tons, according to the announcement, which also stated:

> The WPB said that the 700,000-ton Buna S program is to be given all the priority and allocation assistance needed to assure the production of not less than 350,000 tons during the calendar year of 1943.
>
> All the synthetic rubber to be produced for many months must be reserved for military uses, and none will be available for civilian uses, such as automobile tires.

Willis Favors Govt. Ads In Newspapers

Farming out much of the Government's printing business to small private plants and the placing of Government advertising in newspapers were advocated by Senator Willis, Republican of Indiana, on April 24. Senator Willis, a former editor, told an informal round-table of Senators, Representatives and members of the National Small Business Conference, in Washington, according to the Associated Press, that small printing plants and newspapers were suffering severely because war priorities had cut advertising revenues, in some cases by two-thirds. The advices from which we quote further stated:

> Representative Patman, Democrat of Texas, also said that much Government printing could be farmed out, while Representative Maas, Republican of Minnesota, agreed that Federal press departments should be abolished because most of their releases constituted political propaganda and were thrown in the waste basket.
>
> "The salaries alone of Government publicity agents exceeds half a million dollars," Mr. Maas said, adding: "Total victory in this war is in serious danger by attempting business as usual in Government."

President Orders Seizure Of Enemy-Owned Patents

President Roosevelt on April 21 directed Leo Crowley, Alien Property Custodian, to take over all patents controlled directly or indirectly by the enemy, in order to make them available for the United Nations war purposes.

In announcing this at his press conference the President said that the first thing we must do is win the war and he indicated that it is the purpose to take over all enemy patents which will serve the war needs of the United States or other of the United Nations. The President likewise indicated that the seized patents are not to be returned to foreign owners after the war since experience after the first World War had shown that the patents had been allowed to revert to enemy hands.

Supplementing this action, the President on April 22 in an executive order transferred all the Department of Justice authority and responsibility in connection with alien property to the Alien Property Custodian. The personnel and records of the Alien Property Division of the Department are affected by the transfer order. All litigation in which the Alien Property Custodian or Office of Alien Property Custodian is interested will be conducted under the supervision of the Attorney General.

Braden Decries Isolation

The hope that the United States would never again return to isolationism was expressed by Spruille Braden, U. S. Ambassador to Cuba, on April 24 at a luncheon given in his honor by the officers and directors of the Commerce and Industry Association of New York, Inc., at the Union League Club, New York City.

"The isolationist spirit which we have had amongst so many sectors of our citizenry has done incalculable damage in the past and is, in a very considerable measure, at the root of our present troubles," declared Ambassador Braden. "Its elimination is essential not only for the well-being and security of the United States, but for that of all humanity."

John Lowry, President of the Association, presided. He introduced James S. Carson, Chairman of the Association's Foreign Trade Committee, who in turn presented Ambassador Braden.

Paid Advertising By Government Urged In War Bond Sale At ANPA Convention

Proper efforts on the part of newspapers to convince the Government of the value of paid advertising in selling war bonds was urged on April 22 by Walter M. Dear, General Manager of the Jersey "Journal" of Jersey City. His proposal, at the same time being supported by Frank E. Tripp, General Manager of the Gannett Newspapers and Chairman of the American Newspaper Publishers Association's Bureau of Advertising. The latter, according to the New York "Times" asserted that the Government "can and should have a sound advertising program in the hands of advertising men who have demonstrated their ability to sway mass psychology." The views of both Mr. Dear and Mr. Tripp were voiced at the annual convention of the American Newspaper Publishers Association, meeting in executive session at the Hotel Waldorf-Astoria, in New York. Mr. Dear addressed the meeting in his capacity as President of the Association, and in part he was quoted in the "Times," as follows:

> Recommending study of the experience of the British and Canadian Governments in buying advertising space for war bonds "under a principal like that which calls for payment of war material," Mr. Dear denied that "real effort to induce payment for Government advertising would indicate a deficient patriotism and a failure to subordinate personal interest to the national interest."
>
> "Advertising is professional in its skill and execution," he declared, "and the equipment for newspaper advertising represents very substantial industrial and business investment, including extensive employment of skilled labor and large consumption of commodity goods. "These considerations should of themselves be enough to place the principle upon which Government advertising should be paid for on a moral and rational par with that upon which other Government services and goods are paid for. There is no doubt that the experience and technique of those whose established business is advertising would be as effective in the disposition of Government war bonds as in all other fields."
>
> * * *
>
> Accusing certain Governmental departments and members of Congress of trying to discourage normal business advertising in order to injure newspapers, he urged the publishers to unite against proposals to make advertising expenses of business corporations non-deductible from income returns.
>
> * * *
>
> "The change-over of the largest users of advertising space from normal commercial production to that of wartime goods," he continued, "has seriously decreased the expenditure of advertising dollars. The higher cost of labor and the cost of newsprint are further items in income reduction."

As to Mr. Tripp's remarks we take the following from the "Times" account:

> Mr. Tripp said the American Society of Newspaper Editors, at its meeting last week, had "fumbled with the subject of Government advertising."
>
> "After much discussion," he went on, "they failed to pass a resolution. This is advertising's answer to them:
>
> "I will quote their exact wording, adding one phrase to the resolution which they rejected, and state it as the policy of the Bureau of Advertising of the American Newspaper Publishers Association:
>
> "'The Bureau of Advertising is unalterably opposed to any Government policy which may be construed, or has resemblance to, a wartime subsidy of the American press, since such a policy might gravely endanger the news and editorial integrity of the newspapers. The patriotic services of the American press never have been, and must never be, evaluated in terms of dollars. We oppose any solicitation or action which may be construed as an effort to bring pressure upon the Government to buy advertising space in the newspapers of the Nation (as distinguished from honorable and orderly presentation to Government of the advantages of advertising).'
>
> "The phrase which I have added begins with the words, 'as distinguished from.' I hope that no editor would object to that addition. One who would, needs learn much of honest advertising's place in the preservation of a free and independent press."
>
> According to Mr. Tripp, it is equally harmful to newspapers for some publishers to declare that the Government "should advertise in every paper in the land because newspapers everywhere are the backbone of wartime morale and are giving so freely of their space and effort," and for others to say that any Government advertising would be "a wanton waste of public funds, a step toward a Government-dominated press and a threat to public confidence in newspapers."
>
> Saying that American advertisers spent about $610,000,000 last year in newspapers alone and about $1,750,000,000 in all media, he suggested that these facts might indicate it would be "smart" for the Government to spend a substantial amount "to put this country in a fighting frame of mind, to get the production we must have to win, to guide our people in a task that will take the most that all of us can give, to smooth the path of Government itself and make its aims and program understood and accepted."
>
> * * *
>
> "If Government advertises, it should set up a department of honest to God advertising men to be paid for out of the advertising commissions involved and at no extra cost to the Government, to which any publication may go and state its case. Don't get the notion that I think we should stop trying to sell our newspapers to Government or anybody else. But what that department decides should be final and when it has spent all of the original appropriation that should be final too, no elastic funds to be raided."
>
> He said newspapers should not expect any more consideration from the Government than they do from any private corporation, and that the Government should buy advertising on the same basis as private business, "to sell its story and its service."
>
> "If Government ever buys advertising on any other basis I want no part in the deal and no part of the business," he declared.

Britain Gets Money Gift

The first payment of the Canadian Government under its $1,000,000,000 gift to Great Britain was recently turned over to the British account in the Bank of Canada and amounted to approximately $20,000,000, according to Canadian Press accounts. These Canadian dollars thereby became available to pay for British purchases of munitions and food supplies in Canada, it was pointed out.

Half Cotton Output Must Be Converted to War Goods

The War Production Board on April 21 ordered the cotton textile industry to convert approximately half of its facilities to war production within the next 60 days. Regarding the decree, Associated Press advices said:

> Under terms of the order, cotton mills must convert specified percentages of their looms, now making various cotton fabrics commonly used in clothing and home furnishings, to production of bag osnaburg — coarse bagging material—and bag sheetings.
>
> Effect of the action will be to double the production of material required for sand bags, camouflage cloth and food and agricultural bagging.
>
> A recently completed WPB survey of the cotton textile industry showed that as of Feb. 28, 74% of the mills had war orders.
>
> Approximately 37% of the total production of the mills now is devoted to war work. Today's order will bring the percentage past 50%.
>
> Orders now being prepared to assure military and essential civilian supplies will boost the war percentage to about 88%, officials predicted.
>
> WPB said its conversion program for the industry contemplated increasing production of essential cotton fabrics from the 9,045,000,000 square yards in 1939 to 14,000,000,000 this year and 15,000,000,000 in 1943.
>
> The plans were drafted, officials said so that all essential civilian needs could be taken care of.

Renegotiate War Contracts To Bar Excess Profits

Congressional action on the $19,000,000,000 supplemental war appropriation bill, which includes an amendment permitting the renegotiation of war contracts yielding excessive profits, was completed on April 23.

Final approval came on April 23 when the Senate adopted the conference report, which the House had voted for on April 21.

When the House first adopted the bill on March 28 it provided for a flat 6% profit on contracts growing out of this appropriation, the House, however, yielded to the Senate version substituting the renegotiation clause.

Senate passage of the original bill on April 7 was reported in these columns April 9, page 1447.

The money appropriation is mainly to provide the Army with 30,000 new warplanes and to equip a 3,600,000-man army.

Under the plan agreed on the War and Navy Departments and the Maritime Commission are directed to provide in all contracts and subcontracts over $100,000 that they can be renegotiated and the terms revised if the profits to be realized were deemed excessive. The heads of the agencies would determine what constitutes excessive profits.

Federal-State Conference On State Trade Barriers

President Roosevelt through Secretary of Commerce Jesse Jones, has called a Federal-State conference to be held in Washington May 5, 6, and 7, to consider the elimination of certain State line and other trade barriers "which hamper the war effort."

In making this announcement on April 25, the White House said Mr. Jones had sent a telegram to all Governors under the President's signature suggesting the meeting.

The President asked the State officials to "give specific attention to the fullest possible utilization of labor, transportation facilities, construction capacity, and agricultural products."

Warns Against Unlicensed Blocked Assets Transfer

The Treasury Department in a formal statement issued April 21 called attention to the fact that all unlicensed transfers of blocked assets in the United States are void and unenforceable. General Ruling No. 12, issued by the Secretary of the Treasury, makes clear that unlicensed transfers of blocked assets in violation of the freezing orders, and transfers designed or having the effect of evading such orders, always have been void and unenforceable.

Secretary Morgenthau, commenting on the ruling, pointed out that these unlicensed transfers of blocked assets always have been void and unenforceable under the freezing orders and that the ruling serves the purpose of emphasizing this fact for the benefit of any of the public who may have overlooked this aspect of freezing control. He also called attention to the provisions of the ruling, making it possible for persons who have been parties to unlicensed transfers of blocked assets to file applications for licensed to validate these transfers. He stated:

> The Treasury, of course, wants to be reasonable about this matter. We do not propose to allow our regulations, intended for the protection of our country and the United Nations, to become an instrumentality for defeating their interests or producing unconscionable advantages or unreasonable hardships. These matters can be dealt with by licenses without undue interference with the purposes of freezing control.

Treasury officials pointed out that there are more than $7,000,000,000 in blocked assets in the United States.

Aid For Auto Dealers

Legislation providing for financial assistance to automobile dealers whose stocks of new cars were "frozen" by Government decree was approved by the Senate on April 27, and by the House on April 28. Both measures would also be applicable to dealers in other products affected by rationing orders. Under the Senate bill, the Reconstruction Finance Corporation would be authorized to make loans on or purchases of new cars now in the hands of dealers and subject to rationing rules. It is understood that the Senate provisions were accepted by the House.

The Senate bill authorizes the RFC to purchase the new automobiles after they are held 15 months by dealers, during which time the dealers could obtain loans on their stocks at the rate of 1% a month. Both the Senate and House groups' action followed testimony by Secretary of Commerce Jones that the RFC had already offered financial assistance to the dealers. The RFC plan, Mr. Jones said, provided for Government purchase through manufacturers at cost plus 1% monthly for the time the cars are in storage.

Favor Women In Military

The House has passed bills creating a Women's Auxiliary Army Corps and a Women's Auxiliary Reserve in the Navy. Both bills permit the enrollment of up to 150,000 women who would relieve men for active duty. Enlistments in the Army would be open only to women between the ages of 21 and 45 while in the Navy women volunteers over 20 will be accepted.

The House passed the Army bill on March 17 by a vote of 249 to 86 and approved the Navy bill on April 16 on a voice vote.

The Senate on April 27 refused to make the WAAC an integral part of the Regular Army and instructed its Military Affairs Committee to hold hearings on the measure.

President Confers with United Nations' Officials

President Roosevelt met with the Pacific War Council for the fourth time on April 21 and also conferred with representatives of other United Nations. The President early in the day talked with Maxim Litvinoff, Russian Ambassador, on the supply problem, and then spoke briefly with Dr. T. V. Soong, Chinese Foreign Minister, who was accompanied by Lieut. Gen. Hsiung Shih-hui, head of a military mission in this country. After meeting with the Pacific War Council, at which Great Britain, Canada, Australia, New Zealand, China and the Netherlands were represented, Mr. Roosevelt conferred with Dr. A. Loudon, the Netherlands Minister, and Lieut. Gov. Gen. van Mook of the Netherlands Indies.

In another engagement on April 21 the President had luncheon with Lord Beaverbrook, who is in charge of British supply activities, and Harry Hopkins, who recently returned from a special mission in Britain.

Mutual Savs. Conference

An economic conference "Devoted to Victory by Saving," will open in The Waldorf-Astoria, New York, May 6 and continue through May 8, when members of the National Association of Mutual Savings Banks meet to discuss savings under war conditions. Representatives of the Government, the economic field, industry and banking, will address the gathering, made up of officials and trustees representing the 17 States in which mutual institutions operate. Their deposits of $10,500,000,000, distributed among 15,500,000 accounts, are only moderately below peak figures, it is stated, despite war conditions.

Previous reference to the conference, giving a list of the principal speakers, was made in these columns of April 9, page 1436. President Andrew Mills, Jr., who is also head of the Dry Dock Savings Institution, New York, is to open the conference at 10 a.m., May 6, when he will review events of the last year and discuss the status of mutual savings under the new economy.

N. Y. Wage Law Upheld

The constitutionality of the New York minimum wage law for women and minors was upheld by the Court of Appeals at Albany, on April 23, in a test case brought by a beauty shop proprietor. The Associated Press, reporting this from Albany, said:

> Mrs. Diana Beck, owner of a shop in Brewster, Putnam County, challenged the validity of the law after conviction on a minimum wage violation charge.
>
> She was charged with paying Jeanette Barnum, a woman employee, $12 for a 48-hour six-day week.
>
> The law sets a $18.75 minimum, but Mrs. Beck contended that Miss Barnum's tips regularly brought her weekly wage to that figure or above. She claimed exclusion of tips from computation of minimum wages is an unconstitutional exercise of power by the State Industrial Commissioner.
>
> The court's decision was unanimous. There was no opinion.

Assumes New Zealand Post

Brig. Gen. Patrick J. Hurley on April 1 formally assumed office as United States Minister to New Zealand. Mr. Hurley, former Secretary of War under President Hoover, was sworn in on April 1 in Wellington, capital of New Zealand, after undertaking a special mission with the United States Army in the Southwest Pacific area. He has reverted to an inactive status in the army.

His nomination to the New Zealand post was reported in our issue of Feb. 12, page 638.

Federal Reserve March Business Indexes

The Board of Governors of the Federal Reserve System on April 22 issued its monthly indexes of industrial production, factory employment and payrolls, etc. At the same time the Board issued its customary summary of business conditions. The indexes for March, together with comparisons for a month and a year ago, are as follows:

BUSINESS INDEXES

1935-39 average = 100 for industrial production and freight-car loadings; 1923-25 average = 100 for all other series

	Adjusted for —Seasonal Variation—			Without —Seasonal Adjustment—		
Industrial production—	Mar. 1942	Feb. 1942	Mar. 1941	Mar. 1942	Feb. 1941	Mar. 1941
Total	†172	172	147	†168	166	144
Manufactures—						
Total	†180	179	151	†177	174	149
Durable	†228	225	180	†225	219	178
Nondurable	†140	142	128	†138	138	126
Minerals	†127	123	125	†118	125	§116
Construction contracts, value—						
Total	†135	128	94	†135	111	94
Residential	†105	100	74	†110	89	78
All other	†159	151	109	†156	129	107
Factory employment—						
Total	*	134.9	119.4	*	133.6	119.9
Durable goods	*	146.8	123.0	*	145.1	123.7
Nondurable goods	*	123.5	115.9	*	122.7	116.3
Factory payrolls—						
Total	---	---	---	---	178.2	131.2
Durable goods	---	---	---	---	210.7	144.6
Nondurable goods	---	---	---	---	141.8	116.3
Freight-car loadings	136	‡139	126	129	‡129	§121
Department store sales, value	†122	126	103	†116	99	93
Department store stocks, value	*	†103	74	*	†98	75

*Data not yet available. †Preliminary or estimated. ‡Corrected. §Revised.

Note—Production, carloadings, and department store sales indexes based on daily averages. To convert durable manufactures, non-durable manufactures and minerals indexes to points in total index, shown in Federal Reserve Chart Book, multiply durable by .379, non-durable by .469, and minerals by .152.

Construction contract indexes based on 3-month moving averages, centered at second month, of F. W. Dodge data for 37 Eastern States. To convert indexes to value figures, shown in the Federal Reserve Chart Book, multiply total by $410,269,000, residential by $184,137,000, and all other by $226,132,000.

Employment index, without seasonal adjustment, and payrolls index compiled by Bureau of Labor Statistics.

INDUSTRIAL PRODUCTION
(1935-39 average = 100)

	Adjusted for —Seasonal Variation—			Without —Seasonal Adjustment—		
Manufactures—	Mar. 1942	Feb. 1942	Mar. 1941	Mar. 1942	Feb. 1942	Mar. 1941
Iron and steel	198	193	184	198	193	184
Pig iron	194	‡189	178	194	‡189	178
Steel	216	210	‡192	216	210	‡192
Open hearth & Bessemer	180	176	177	180	176	177
Electric	473	444	‡300	473	444	‡300
Machinery	†264	255	185	†264	255	185
Transportation equipment	†323	308	207	†323	308	214
Non-ferrous metals & products	†185	191	179	†186	191	179
Copper smelting	†147	141	136	†147	141	136
Zinc smelting	184	189	163	184	189	163
Copper deliveries	†208	224	219	†208	224	219
Zinc shipments	148	151	146	148	151	146
Lumber and products	†134	144	128	†129	128	123
Lumber	†127	143	125	†119	118	118
Furniture	†147	146	132	†148	146	133
Stone, clay, & glass products	†167	188	150	†138	131	125
Cement	188	236	156	141	132	117
Polished plate glass	41	49	135	43	47	141
Textiles and products	†152	157	146	†152	157	147
Cotton consumption	169	174	156	169	174	156
Rayon deliveries	†175	174	150	†175	174	150
Wool textiles	*	155	152	*	155	152
Leather products	†119	120	‡115	†127	131	‡123
Tanning	*	126	113	*	137	‡113
Cattle hide leathers	*	138	‡120	*	153	121
Calf and kip leathers	*	93	112	*	98	105
Goat and kid leathers	*	119	‡97	*	124	‡96
Shoes	†115	117	‡117	†128	126	‡130
Manufactured food products	†140	141	121	†124	123	107
Wheat flour	†101	110	105	†98	109	102
Meat packing	†146	141	134	†132	135	122
Other manufactured foods	†142	144	120	†125	125	105
Paper and products	*	149	132	*	152	136
Paperboard	162	163	138	168	167	144
Newsprint production	106	110	115	106	108	115
Printing and publishing	†125	125	116	†130	126	121
Newsprint consumption	103	103	106	107	102	110
Petroleum and coal products	*	131	123	*	129	119
Petroleum refining	*	126	118	*	124	114
Gasoline	*	125	120	*	121	114
Fuel oil	*	128	121	*	129	118
Lubricating oil	*	131	105	*	129	104
Kerosene	*	128	113	*	129	115
Coke	†159	161	154	†159	161	154
Beehive	†477	493	434	†477	493	434
Byproduct	†150	152	145	†150	152	145
Chemicals	†160	158	125	†165	158	129
Minerals—						
Fuels	†122	125	121	†122	130	‡120
Bituminous coal	†146	120	‡148	†140	141	‡142
Anthracite	†113	110	102	†116	121	105
Crude petroleum	†114	128	112	†115	127	114
Metals	†153	152	148	†95	94	92
Iron ore	201	201	191	---	---	---
Copper	†163	158	148	†166	160	151
Lead	*	140	118	*	140	116

*Data not yet available. †Preliminary or estimated. ‡Revised.

FREIGHT-CAR LOADINGS
(1935-39 average = 100)

Coal	122	§116	128	125	§132	132
Coke	168	§150	168	175	§184	175
Grain	119	§131	113	102	§110	97
Livestock	97	§95	93	77	§76	74
Forest products	149	§159	127	149	§153	127
Ore	282	§187	192	73	§47	50
Miscellaneous	143	§151	128	139	§135	‡125
Merchandise, l.c.l.	92	§100	100	92	§96	101

‡Revised. §Corrected.

Note—To convert coal and miscellaneous indexes to points in total index, multiply coal by .213 and miscellaneous by .548.

Steel Output Rises—WPB Tightening Control

"Already turning out more steel for war production than was believed possible a few months ago, the steel industry can be expected to establish more new records from now on," says the "Iron Age" in its issue of today (April 30), which adds: "The stepping up of priority ratings is assisting finished steel production; new pig iron and raw steel facilities are aiding the industry, recent WPB interpretations and rulings have been helpful, and soon practically all "non-essential" civilian items of steel will be banned completely. A list of 350 to 400 articles has been made up. The total saving of steel will be large, for such a product as bobby pins alone, banned this week, consumed around 4,000 tons of alloy steel per year.

"Increased lend-lease activity, a set up in munitions steel requirements and the increasing ship building program have caused an upward surge since the start of the month.

"The freer movement of scrap is the main factor in the increase in production during the past two weeks."

The American Iron and Steel Institute on April 27 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 91% of the steel capacity of the industry will be 98.9% of capacity for the week beginning April 27, compared with 97.6% one week ago, 98.8% one month ago and 94.3% one year ago. This represents an increase of 1.3 points, or 1.3% from the preceding week.

The operating rate for the week beginning April 27 is equivalent to 1,679,900 tons of steel ingots and castings, compared to 1,657,900 tons one week ago, 1,678,200 tons one month ago, and 1,521,900 tons one year ago.

"Steel," of Cleveland, in its summary of the iron and steel markets, on April 27, stated in part: "The War Production Board is tightening control of steel and iron products to divert all possible material from non-essential uses. With steady increase of orders for heavy steel products, plates, shapes and bars, the question of semi-finished steel supply for lighter products, sheets, strip and wire, becomes more troublesome.

"Substitution of steel for brass in shell cases and other ordnance items, because of extreme shortage, places an additional demand on steelmakers. Steel for these purposes carries highest priority, further congesting order books in the higher classifications.

"Low phosphorus grades of pig iron and scrap are increasingly scarce, due to heavy consumption in steel castings for war use. Inasmuch as England and Russia also need this grade the situation is expected to become more acute in the near future.

"Blast furnaces consumed 6,899,667 gross tons of Lake Superior iron ore in March, compared with 6,222,583 tons in February and 6,288,792 tons in March, 1940. In first quarter ore consumption was 20,082,553 tons, compared with 18,061,473 tons in the same period last year. Total ore stocks April 1 at furnaces and Lake Erie docks were 19,550,606 tons, compared with 17,760,742 tons a year previous. Active blast furnaces in the United States April 1 numbered 174, three more than on March 1."

March Fabricated Structural Steel Bookings Highest Since June—Shipments Also Increase

Another increase in the monthly bookings of new orders for fabricated structural steel during March was indicated in reports received by the American Institute of Steel Construction. The March bookings this year were the largest recorded for any month since June of 1941. The total bookings for the first three months of 1942, however were but 98% of the bookings recorded for the same quarter of 1941.

Shipments of fabricated structural steel during the first quarter of 1942 on the other hand, were larger by 3% than the total of shipments recorded in the same quarter last year.

Tonnage available for future fabrication amounted to 777,674 tons at March 31, 1942.

Following is the complete tabulation of bookings and shipments, showing estimated total tonnage for the entire industry, as reported to the Institute:

	—Contracts Closed—		——Shipments——	
	1942	1941	1942	1941
January	181,804	281,235	166,179	164,590
February	226,976	173,559	162,007	161,354
March	236,791	206,072	184,715	170,161
April	------	218,018	------	189,751
May	------	179,884	------	191,905
June	------	246,910	------	200,509
July	------	214,756	------	203,026
August	------	158,658	------	189,251
September	------	158,782	------	204,085
October	------	128,658	------	217,738
November	------	184,043	------	182,593
December	------	146,379	------	176,126
Totals	------	2,296,954	------	2,251,089

U. S. Labor Department Reports On Factory Workers' Hours And Earnings In February

Average hourly earnings of factory workers rose 0.3% from mid-January to mid-February, to reach a level of 80.3 cents, Secretary of Labor Frances Perkins reported on April 16. "According to reports received by the Bureau of Labor Statistics from more than 34,000 establishments, a smaller number of workers received wage rate increases in February than in any month since March, 1941," she said. "Wage rate increases in 747 establishments reporting averaged 7.9% and affected a total of 151,700 wage earners."

Miss Perkins further noted:

Working hours of individual wage earners continued to increase. Only five of the 43 durable goods industries reported actual working hours of less than 40 per week. As a rule actual working time is about two hours below scheduled work owing to ordinary losses from absences, part-time work, breakdowns, and labor turnover. Thus, the durable goods industries, where the greater burden of the war orders is being handled, are working well above 40 hours per week.

Several strategic war industries reported average hours of 50 or more per week: machine tools (54.9 hours), machine-tool accessories (55.9 hours), firearms (50.8 hours), and screw machine products (50.0 hours). Individual workers in other war industries operated at the following levels: shipbuilding (48.7), aircraft (47.7), foundries and machine shops (47.6), brass, bronze and copper products (47.6), electrical machinery (45.6), ammunition (45.4), and explosives (44.8).

Average hours worked in all the durable-goods industries combined in February amounted to 44.4, while the average for the nondurable goods was 39.7; all manufacturing averaged 42.2 hours. Between February, 1941, and February, 1942, hours increased 6.9% in the durable goods industries and 3.6% in the nondurable goods.

The average for all manufacturing showed an increase of 5.6% over this interval. Over the past year hourly earnings increased 17.1% in the durable goods as compared with a rise of 12.8% in the nondurable goods industries. For all manufacturing industries combined hourly earnings in February, 1942, were 16.0% above the February, 1941, level. Overtime and wage-rate increases were primary factors contributing to the increase in hourly earnings.

Weekly earnings in durable goods industries ($41.60) increased 1.8% over the month, while those in the nondurable goods industries ($27.31) showed a rise of only 1.5%. Weekly earnings in durable goods were 26.2% higher than in February, 1941, as compared with a rise of 17.5% in nondurable goods. During the past year average weekly earnings for all manufacturing industries combined have risen 24.0% to the level of $35.76.

Increases in working hours from January to February were reported in each of the mining industries except crude petroleum production, resulting in the following February averages: metal mining, 44.7 hours; quarrying and nonmetallic mining, 41.8 hours; crude petroleum production, 37.7 hours; anthracite mining, 33.9 hours; and bituminous coal mining, 31.5 hours. Weekly earnings also increased in each of these industries except crude petroleum production. Weekly earnings ranged from $38.83 in crude petroleum production to $28.16 in quarrying and nonmetallic mining. Among the public utilities industries the longest hours were reported by street railway and buses (48.0), follower by electric light and power (40.1) and telephone and telegraph (39.7). In retail trade hours in February averaged 42.3 as compared with 41.3 in wholesale trade. Owing to the higher level of average hourly earnings, wholesale trade reported average weekly earnings of $34.62, while retail trade had an average of $23.67.

No More Civilian Radios

The major part of the country's radio industry on April 22 stopped the production of radios for civilian use in order to make its entire facilities available for war work and the remainder of the industry will wind up its operations within a few weeks. According to an announcement issued by the War Production Board's Division of Industry Operations, 30 of the 55 companies producing civilian radios ceased putting sets into production. Two other large companies, RCA and Philco, each operating several plants, shut off civilian production in plants representing more than 80% of their total production. These 32 companies already have war contracts totaling $780,000,000, representing 87% of all the war contracts let so far to the home radio industry. The announcement, April 22, further said:

> The remaining 25 companies were given additional time, ranging from one to six weeks, to produce additional sets in order to facilitate their program of conversion to war work. Half of the approximately 410,000 sets to be produced after the shutoff date will be reserved for export to friendly nations, as requested by the Coordinator of Inter-American Affairs and Lend-Lease.
>
> The plants discontinuing civilian production by midnight tonight produced approximately 57% of all the civilian sets, on a dollar basis, sold in 1941. Their sales accounted for approximately $151,000,000 worth of the $263,400,000 worth of home radios manufactured in 1941.

Restrict Foreign Mail To Aid War Effort

In a notice sent to its members on April 21, the Commerce and Industry Association of New York, Inc., stated that Postmaster General Walker has announced that because all available ocean and air transportation space must be devoted to war essentials, it is necessary to reduce the volume of second, third and fourth class mail sent to foreign countries. Merchandise and printed matter not essential to the war effort must, therefore, be transported chiefly by some means other than the mails, said the announcement of the association, which also stated:

As a military necessity the following restrictions become effective immediately:

1. No parcel or package of any class of mail, including air mail, addressed for delivery outside the Continental United States shall be accepted for mailing if it exceeds 11 lbs. in weight or 18 inches in length or 42 inches in length and girth combined, provided that these restrictions shall not apply to matter addressed to Canada or Mexico nor to official matter of the United States Government on which postage is paid or which is entitled under Section 618 Postal Laws & Regulations, to be mailed free of postage under the Penalty Privilege.

Mail addressed for delivery "Outside the Continental United States," are herein used, shall include:

a. All mail for Alaska, Canal Zone, Hawaii, Puerto Rico, and island possessions of the United States.

b. All mail addressed to Army Post Offices (A.P.O.'s), in care of Postmaster of New York, N. Y.; San Francisco, Cal.; or Seattle, Wash.

c. All mail for Naval Forces addressed in care of the Postmaster in New York, N. Y.; or San Francisco, Cal.

d. All International Mail except that addressed to Canada and Mexico.

2. Not more than one such parcel or package shall be accepted for mailing in any one week when sent by or on behalf of the same person or concern to or for the same addressee.

3. Perishable matter, regardless of weight or size, addressed as set forth in Paragraph 1 above shall not be accepted for mailing.

4. No exceptions to Paragraphs 1 and 2 above shall be made by postmasters unless the mailer presents a permit issued under the regulations of the Post Office, War or Navy Departments, authorizing the acceptance of the articles or matters mentioned in such permits when presented for mailing in a parcel or package weighing in excess of 11 lbs. or exceeding 18 inches in length or exceeding 42 inches in length and girth combined, but in no case shall such parcel or package be in excess of the limits of weight and dimensions in existence prior to the effective date of this order. Parcels or packages accepted under such permits shall be endorsed by the postmaster **"Acceptance for Mailing Authorized by Permit Dated ----------------."**

5. The foregoing shall not be construed to increase the limits of weight or dimensions in the International Mails in those cases where the present limits of weights or dimensions are less than those above prescribed.

Gross And Net Earnings Of United States Railroads For The Month Of February

With the railroads of the United States now under a terrific strain to cope with the business offered these carriers, it is not surprising to find gross and net earnings running at rates comparable to the best levels ever achieved. The statistics of operations in the month of February, 1942, disclose gross revenues close to the best figures on record for that month, while net earnings exceed anything recorded for any previous February. These apparently good results are reflections, of course, of the heavy war traffic developed in the long period leading up to our entry into the World War, and of the even more stimulating effect of our entry.

The extent to which the carriers will be permitted to keep their earnings and to distribute them as interest on indebtedness or as dividends on equities remains to be determined. The vastly increased taxation currently under debate in Congress certainly will cut heavily into railroad financial returns.

While this question of taxation remains under discussion, the carriers are facing as best they can a great many other problems. Much additional equipment is needed to handle the sharply increased volume of traffic. Some vacillation has occurred among the Government offices dealing with priorities on equipment, but it is hardly to be supposed that the railroads will be denied needed materials.

The fact must be recognized that the great steel highways of the country should be maintained in first-class order, since they are of primary importance in carrying to the seaboard the mounting production of war materials. The railroads, moreover, will be the principal agencies of transportation to assume any tasks that motor carriers will be unable to fulfill if the rubber shortage makes tires unavailable to the motor units. Additional passenger traffic also will have to be carried by the railroads.

To some degree these increasing demands upon the railroads already were reflected in gross and net earnings for the month of February. The statistics of earnings for that month also included higher passenger fare charges, as permitted by the ICC, but did not include advanced freight rates in accordance with the decision handed down March 2, 1941. The 6% average freight rate increase, when added to the previous 10% passenger fare advance, is calculated as almost sufficient to offset the wage increases placed in effect late last year.

Gross revenues of the railroads for February, 1942, amounted to $462,482,830, against $357,564,014 in February, 1941, an increase of $104,918,816, or 29.35%. Increased operating expenses absorbed most of the added gross, owing to the higher wage scales in effect. But carrier operations were conducted thriftily in all other respects, and net earnings thus increased to $134,878,897 last February, against $102,735,090 in February, 1941, a gain of $32,143,807, or 31.29%. We now present these results in tabular form:

Month of February—	1942	1941	Incr. (+) or Decr. (—)	%
Mileage of 132 roads	231,593	232,414	— 821	—00.35
Gross earnings	$462,482,830	$357,564,014	+$104,918,816	+29.35
Operating expenses	327,603,933	254,828,924	+ 72,775,009	+28.56
Ratio of expenses to earnings	(70.84)	(71.27)		
Net earnings	$134,878,897	$102,735,090	+ $32,143,807	+31.29

Earnings on the scale indicated are, of course, a matter for gratification. The carriers have tended to place their lines in ever better shape in recent months, and also have moved to bolster their financial structures, chiefly through discharge of bank loans and advances obtained in the depression years from the RFC. But taxes, higher material costs, added wage outlays and similar incidentals all are factors to be taken into consideration in estimating the further course of railroad earnings.

We turn now to the business statistics which underlie the results for last February.

February—	1942	1941	1940	1932	1929
Automobiles (units):					
*Production, passenger cars, trucks, etc.)	134,134	485,622	404,032	117,418	466,418
Building ($000):					
†Constr. contracts awarded	433,557	270,373	200,574	89,046	361,274
Coal (net tons):					
‡Bituminous	43,840,000	41,695,000	39,277,000	28,383,000	47,271,000
§Pennsylvania anthracite	4,772,000	4,432,000	3,546,000	4,061,000	6,670,000
Freight Traffic:					
¶Carloadings, all cars	x3,122,773	x2,866,565	x2,465,685	x2,228,777	x3,797,183
††Livestock receipts:					
Chicago (cars)	4,933	5,129	6,374	13,955	19,361
Kansas City (cars)	2,736	1,812	1,770	5,193	7,017
Omaha (cars)	1,728	1,599	1,856	4,906	5,793
‡‡Western flour and grain receipts:					
Flour (000 barrels)	x1,882	x1,782	x1,667	x1,421	x1,889
Wheat (000 bushels)	x17,586	x8,728	x14,694	x23,191	x27,215
Corn (000 bushels)	x30,356	x14,212	x13,064	x12,590	x30,363
Oats (000 bushels)	x5,102	x3,179	x5,291	x5,000	x9,551
Barley (000) bushels)	x7,816	x6,736	x5,695	x1,558	x4,819
Rye (000 bushels)	x2,423	x510	x1,480	x300	x1,021
Iron and Steel (net tons)					
**Pig iron production	4,502,273	4,197,872	3,311,480	1,079,993	3,590,927
§§Steel ingot production	6,521,056	6,230,354	4,527,141	1,681,421	4,920,348
Lumber (000 feet):					
¶¶Production	x914,711	x961,179	x775,017	x387,950	x1,319,786
¶¶Shipments	x1,032,205	x1,003,619	x817,026	x551,724	x1,411,582
¶¶Orders received	x1,030,532	x1,031,802	x821,796	x403,373	x1,493,843

Note—Figures in above table issued by: *U. S. Bureau of the Census. †F. W. Dodge Corp. (figures for 37 States east of Rocky Mountains). ‡National Bituminous Coal Commission. §U. S. Bureau of Mines. ¶Association of American Railroads. ††Reported by major stock yard companies in each city. ‡‡New York Produce Exchange. **"Iron Age." §§American Iron and Steel Institute. ¶¶National Lumber Manufacturers' Association (number of reporting mills varies in different years). x Four weeks.

The figures in the above tabulation indicate clearly the chief factors underlying the 29.35% increase in gross earnings for the 1942 February month over the corresponding month in 1941. The grain movement showed the greatest improvement over 1941 with an increased movement of over 100%. Construction activity also showed a marked increase, while less spectacular, although substantial gains were shown in iron and steel production, lumber shipments and coal production. Following the precedent set in previous months, automobile production, as a result of the restrictions placed on the industry, showed a decrease of 72.4% in comparison with February, 1941.

There were 71 roads able to surpass their 1941 gross earnings for the month of February, while 52 of these were able to translate their gross earnings into net earnings of $100,000 or more. In the gross classification, the Pennsylvania headed the list with an increase over February, 1941, of $11,144,420, while the Southern Pacific surpassed all other roads in the net category with an improvement of $4,830,351. The Southern Pacific also placed second to the Pennsylvania in gross with an increase of $10,410,655. It is interesting to note that in this era of increased operating expenses that the Yazoo & Mississippi Valley and the New Orleans, Texas & Mexico, were able to convert 78.8% and 68.6%, respectively, of their gross increases into net gains.

Both increases and decreases of $100,000 or more in gross and net earnings of the individual roads and systems for February, 1942, in comparison with February, 1941, are tabulated in our usual form in the subjoined table:

PRINCIPAL CHANGES IN GROSS EARNINGS FOR THE MONTH OF FEBRUARY

	Increase		Increase
Pennsylvania	$11,144,420	Rich., Fred. & Potomac	$615,213
Southern Pacific (2 roads)	10,410,655	Kansas City Southern	552,829
Atchison Topeka & Santa Fe	7,287,160	Spokane Portland & Seattle	475,196
New York Central	*6,479,970	Alton	457,737
Union Pacific	6,361,640	Gulf Mobile & Ohio	412,222
Baltimore & Ohio	4,126,705	Minneapolis & St. Louis	379,489
Illinois Central	3,195,065	Chicago Great Western	358,830
Great Northern	2,955,053	Alabama Great Southern	346,072
Chi. Milwaukee St. P. & P.	2,926,226	Nashville Chat. & St. Louis	344,507
Chicago Burl. & Quincy	2,786,760	Chic. St. P. Minn. & Omaha	340,971
N. Y., N. H. & H.	2,753,266	Cin. N. O. & Texas Pacific	338,618
Southern	2,743,269	Colo. & Southern (2 roads)	320,843
Northern Pacific	2,492,984	Central of Georgia	310,121
Missouri Pacific	2,392,505	New Orleans & Northeastern	292,127
Chicago & North Western	2,168,809	Long Island	286,481
Chi. Rock Island & Pacific	2,075,276	International Great Northern	258,642
Erie	1,803,169	Louisiana & Arkansas	232,231
Louisville & Nashville	1,757,050	Western Maryland	228,810
Seaboard Air Line	1,741,609	Georgia	220,258
Atlantic Coast Line	1,715,498	Pittsburgh & Lake Erie	211,088
N. Y., Chi. & St. L.	1,486,445	Chicago & Eastern Illinois	184,858
Yazoo & Mississippi Valley	1,270,673	Maine Central	184,605
Missouri-Kansas-Texas	1,119,824	Elgin Joliet & Eastern	129,511
Reading	1,093,497	Monongahela	125,399
St. L.-San Fran. (2 roads)	1,058,624	Can. Nat'l Lines in N. E.	124,844
Denver & Rio Grande West.	1,045,845	Lehigh Hudson River	120,664
Boston & Maine	992,563	Lehigh & New England	102,037
Western Pacific	892,665	Florida East Coast	100,921
N. Orl. Tex. & Mex. (3 rds.)	891,660		
St. Louis Southwestern	867,463	Total (71 roads)	$104,059,646
Central of New Jersey	831,121		
Texas & Pacific	824,681		Decrease
Wabash	776,877	Virginian	233,581
Delaware & Hudson	739,462	Grand Trunk Western	202,540
Lehigh Valley	721,549	Detroit Toledo & Ironton	142,822
Del., Lack. & Western	713,138	New York Connecting	118,591
Chesapeake & Ohio	699,729		
Minn. St. Paul & S. S. Marie	661,617	Total (4 roads)	$697,534

*These figures cover the operations of the New York Central and the leased lines—Cleveland Cincinnati Chicago & St. Louis, Michigan Central, Cincinnati Northern, and Evansville Indianapolis & Terre Haute. Including Pittsburgh & Lake Erie, the result is an increase of $6,691,058.

PRINCIPAL CHANGES IN NET EARNINGS FOR THE MONTH OF FEBRUARY

	Increase		Increase
Southern Pacific (2 roads)	$4,830,351	Delaware & Hudson	$258,279
Atchison Topeka & Santa Fe	4,201,805	Minneapolis & St. Louis	253,315
Union Pacific	3,113,353	Central of New Jersey	252,752
Great Northern	1,516,506	Texas & Pacific	249,163
Chicago Burl. & Quincy	1,510,220	Del. Lack. & Western	246,147
Chi. Mil. St. P. & P.	1,364,149	Kansas City Southern	174,604
N. Y., N. H. & H.	1,234,153	Colo. & Southern (2 roads)	171,599
Illinois Central	1,125,937	Alabama Great Southern	168,353
Chi. Rock Island & Pacific	1,033,943	Alton	164,663
Yazoo & Mississippi Valley	1,000,933	New Orleans & Northeastern	157,865
Missouri Pacific	954,560	Reading	157,257
Northern Pacific	927,543	Georgia	134,115
Pennsylvania	802,757	Chi. St. Paul Minn. & Omaha	115,376
Atlantic Coast Line	689,373	Chicago Great Western	112,177
Denver & Rio Grande West.	630,020	Boston & Maine	105,718
New York Central	*621,013		
N. Orl., Tex. & Mex. (3 roads)	611,358	Total (52 roads)	$35,182,366
New York Chi. & St. Louis	591,493		Decrease
Missouri-Kansas-Texas	536,286	Norfolk & Western	$572,950
Seaboard Air Line	522,037	Bessemer & Lake Erie	553,347
Baltimore & Ohio	515,187	Chesapeake & Ohio	491,777
Southern	494,282	Pere Marquette	422,026
St. Louis Southwestern	444,246	Grand Trunk Western	391,365
Chicago & North Western	442,426	Virginian	359,115
Wabash	416,433	Elgin Joliet & Eastern	276,334
Rich. Fred. & Potomac	412,397	New York Connecting	163,170
Louisville & Nashville	401,800	Detroit Toledo & Ironton	152,736
St. Louis-San Fran. (2 rds.)	312,900	Duluth Missabe & Iron Rge.	133,889
Western Pacific	311,825	Lehigh Valley	110,541
Erie	309,569	Pittsburgh & Lake Erie	107,768
Minn. St. Paul & S. S. Marie	302,663		
Spok. Portland & Seattle	279,465	Total (12 roads)	$3,735,018

*These figures cover the operations of the New York Central and the leased lines—Cleveland Cincinnati Chicago & St. Louis, Michigan Central, Cincinnati Northern, and Evansville Indianapolis & Terre Haute. Including Pittsburgh & Lake Erie, the result is an increase of $513,245.

In reference to the three major geographical districts into which the roads are grouped, we find that once again the Western District led all other districts in improvement over February, 1941, in both gross and net with respective increases of 43.13% and 80.13%. In the smaller subdivisions, the regions, the Central Western Region showed an amazing increase in net of 95.91%. The only decrease in comparison with the previous February was recorded by the Pocahontas Region—10.31% in net. We now present our usual summary tabulation, which, as previously explained, conforms with the classification of the ICC. For the boundaries of the various groups and regions, consult the footnote attached to the following table:

SUMMARY BY GROUPS

District and Region Month of February	Gross Earnings 1942	 1941	 Incr. (+) or Decr. (—)	
Eastern District—	$	$	$	%
New England region (10 roads)	19,177,384	15,103,373	+ 4,074.011	+26.97
Great Lakes region (23 roads)	81,601,026	68,453,466	+ 13,147,560	+19.21
Central Eastern region (18 roads)	96,311,486	77,942,355	+ 18,369,131	+23.57
Total (51 roads)	197,089,896	161,499,194	+ 35 590,702	+22.04
Southern District—				
Southern region (26 roads)	66,111,846	50,854,705	+ 15,257,141	+30.00
Pocahontas region (4 roads)	23,377,694	22,314,477	+ 1,063,217	+ 4.76
Total (30 roads)	89,489,540	73,169,182	+ 16,320,358	+22.30
Western District—				
Northwestern region (15 roads)	46,499,596	33,539,077	+ 12 960,519	+38.64
Central Western region (16 roads)	91,806,945	62,057,087	+ 29,749,858	+47.94
Southwestern region (20 roads)	37,596,853	27,299,474	+ 10,297,379	+37.72
Total (51 roads)	175 903,394	122,895,638	+ 53,007,756	+43.13
Total all districts (132 roads)	462,482,830	357,564,014	+104,918,816	+29.35

District and Region Month of February	Mileage 1942	 1941	Net Earnings 1942	 1941	 Incr. (+) or Decr. (—)	
Eastern District—			$	$	$	%
New England region	6,644	6,700	5,987,724	4,763,832	+ 1,223,892	+25.69
Great Lakes region	26,026	26,074	21,211,582	19,677,900	+ 1,533,682	+ 7.79
Central East. region	24,250	24,494	22,271,232	21,493,058	+ 778,174	+ 3.62
Total	56,920	57,268	49,470,538	45,934,790	+ 3,535,748	+ 7.70
Southern District—						
Southern region	37,824	38,141	21,266,570	16,264,724	+ 5,001,846	+30.75
Pocahontas region	6,076	6,076	8,801,747	9,813,192	— 1,011,445	—10.31
Total	43,900	44,217	30,068,317	26,077,916	+ 3,990,401	+15.30
Western District—						
Northwestern region	45,617	45,521	12,040,216	6.785,493	+ 5.254.723	+77.44
Central West. region	56,115	56,316	30,574,401	15.606,004	+14,968.397	+95.91
Southwestern region	29,041	29,092	12,725,425	8,330,887	+ 4,394,538	+52.75
Total	130,773	130,929	55,340,042	30,722,384	+24,617,658	+80.13
Total all districts	231,593	232,414	134,878,897	102,735,090	+32,143,807	+31.29

Note—Our grouping of the roads conforms to the classification of the Interstate

Commerce Commission, and the following indicates the confines of the different groups and regions:

EASTERN DISTRICT

New England Region—Comprises the New England States.

Great Lakes Region—Comprises the section on the Canadian boundary between New England and the westerly shore of Lake Michigan to Chicago, and north of a line from Chicago via Pittsburgh to New York.

Central Eastern Region—Comprises the section south of the Great Lakes Region east of a line from Chicago through Peoria to St. Louis and the Mississippi River to the mouth of the Ohio River, and north of the Ohio River to Parkersburg, W. Va., and a line thence to the southwest corner of Maryland and by the Potomac River to its mouth.

SOUTHERN DISTRICT

Southern Region—Comprises the section east of the Mississippi River and south of the Ohio River to a point near Kenova, W. Va., and a line thence following the eastern boundary of Kentucky and the southern boundary of Virginia to the Atlantic.

Pocahontas Region—Comprises the section north of the southern boundary of Virginia, east of Kentucky and the Ohio River north to Parkersburg, W. Va., and south of a line from Parkersburg to the southwestern corner of Maryland and thence by the Potomac River to its mouth.

WESTERN DISTRICT

Northwestern Region—Comprises the section adjoining Canada lying west of the Great Lakes Region, north of a line from Chicago to Omaha and thence to Portland, and by the Columbia River to the Pacific.

Central Western Region—Comprises the section south of the Northwestern Region west of a line from Chicago to Peoria and thence to St. Louis, and north of a line from St. Louis to Kansas City and thence to El Paso and by the Mexican boundary to the Pacific.

Southwestern Region—Comprises the section lying between the Mississippi River south of St. Louis and a line from St. Louis to Kansas City and thence to El Paso, and by the Rio Grande to the Gulf of Mexico.

The February current-year grain movement over the Western roads was substantially heavier than last year, with all grains contributing to the heavier movement. However, wheat and corn were the chief contributing factors, both better than doubling their 1941 February receipts. In our usual form, we now present a detailed statement of the Western grain movement:

WESTERN FLOUR AND GRAIN RECEIPTS

4 Weeks Ended Feb. 28

(000) Omitted	Year	Flour (bbls.)	Wheat (bush.)	Corn (bush.)	Oats (bush.)	Rye (bush.)	Barley (bush.)
Chicago	1942	943	527	8,366	954	533	1,214
	1941	774	545	6,380	777	38	1,206
Minneapolis	1942	---	7,583	1,752	1,980	959	3,117
	1941	---	1,892	638	1,015	284	2,523
Duluth	1942	---	2,418	937	8	284	544
	1941	---	396	85	16	4	147
Milwaukee	1942	69	24	1,425	16	165	2,292
	1941	74	20	603	24	43	2,266
Toledo	1942	---	458	1,058	196	---	7
	1941	---	432	286	191	1	7
Indianapolis & Omaha	1942	---	1,092	5,235	930	38	17
	1941	---	363	2,442	418	9	6
St. Louis	1942	623	912	2,610	200	347	219
	1941	647	916	588	258	20	154
Peoria	1942	197	203	3,721	112	84	290
	1941	206	182	2,330	94	104	287
Kansas City	1942	50	3,053	4,483	224	---	---
	1941	81	2,763	639	120	---	---
St. Joseph	1942	---	228	468	412	---	---
	1941	---	74	128	232	---	---
Wichita	1942	---	1,020	---	---	---	---
	1941	---	1,082	---	---	---	2
Sioux City	1942	---	68	301	70	13	116
	1941	---	63	93	34	7	138
Total all	1942	1,882	17,586	30,356	5,102	2,423	7,816
	1941	1,782	8,728	14,212	3,179	510	6,736

WESTERN FLOUR AND GRAIN RECEIPTS

2 Months Ended Feb. 28

(000) Omitted	Year	Flour (bbls.)	Wheat (bush.)	Corn (bush.)	Oats (bush.)	Rye (bush.)	Barley (bush.)
Chicago	1942	1,993	1,444	18,002	3,219	741	2,598
	1941	1,700	1,627	13,322	1,724	62	2,355
Minneapolis	1942	---	16,688	4,683	6,302	2,582	8,336
	1941	---	5,344	1,387	2,621	802	6,026
Duluth	1942	---	4,959	1,550	56	562	890
	1941	---	1,677	201	143	54	254
Milwaukee	1942	159	65	2,005	60	285	4,638
	1941	152	73	1,544	57	116	2,765
Toledo	1942	---	797	2,141	657	1	42
	1941	---	728	665	420	5	13
Indianapolis & Omaha	1942	---	2,434	10,843	2,056	99	30
	1941	---	949	6,115	714	24	8
St. Louis	1942	1,311	2,073	4,646	548	420	460
	1941	1,304	2,131	1,505	508	38	255
Peoria	1942	359	343	8,350	314	187	574
	1941	422	505	5,026	237	180	613
Kansas City	1942	112	7,249	7,866	408	---	---
	1941	179	2,818	1,385	242	---	---
St. Joseph	1942	---	565	929	678	---	---
	1941	---	159	433	376	---	---
Wichita	1942	---	2,300	---	---	---	---
	1941	---	2,344	---	---	---	4
Sioux City	1942	---	260	1,032	180	38	341
	1941	---	200	309	84	9	248
Total all	1942	3,934	39,177	62,047	14,478	4,915	17,909
	1941	3,757	18,555	31,892	7,126	1,290	12,541

In the following table we furnish a summary of the February comparisons of the gross and net earnings of the railroads of the country from the current year back to and including 1909:

Month of February	Gross Earnings				Mileage	
	Year Given	Year Preceding	Inc. (+) or Dec. (—)	%	Year Given	Year Preced'g
1909	$168,336,557	$156,156,486	+$12,180,071	+ 7.80	215,383	212,236
1910	200,129,088	172,751,230	+ 27,377,858	+15.85	231,296	227,868
1911	197,009,201	200,418,368	— 3,409,167	— 1.70	235,483	231,805
1912	218,031,094	197,278,939	+ 20,752,155	+10.52	237,082	233,191
1913	232,726,241	218,336,929	+ 14,389,312	+ 6.59	240,986	237,756
1914	209,233,005	233,056,143	— 23,823,138	—10.22	244,925	242,928
1915	210,860,681	212,163,967	— 1,303,286	— 0.61	246,186	242,837
1916	267,579,814	209,573,963	+ 58,005,851	+27.68	245,541	244,809
1917	271,928,066	269,272,382	+ 2,655,684	+ 0.99	249,795	248,738
1918	285,776,203	260,627,752	+ 25,148,451	+ 9.65	238,891	237,463
1919	351,048,747	289,392,150	+ 61,656,597	+21.31	232,957	233,266
1920	421,180,876	348,749,787	+ 72,431,089	+20.77	231,304	231,017
1921	405,001,273	424,172,348	— 19,171,075	— 4.52	235,653	234,510
1922	400,430,580	405,203,414	— 4,772,834	— 1.18	235,625	234,880
1923	444,891,872	400,146,341	+ 44,745,531	+11.18	235,399	235,528
1924	477,809,944	445,870,232	+ 31,939,712	+ 7.16	235,506	235,876
1925	454,009,669	478,451,607	— 24,441,938	— 5.11	236,642	236,031
1926	459,227,310	454,198,055	+ 5,029,255	+ 1.11	236,839	236,529
1927	467,808,478	459,084,911	+ 8,723,567	+ 1.90	237,970	236,870
1928	455,681,258	468,532,117	— 12,850,859	— 2.74	239,584	238,731
1929	474,780,516	456,487,931	+ 18,292,585	+ 4.01	234,884	242,668
1930	427,231,361	475,265,483	— 48,034,122	—10.11	242,348	242,113
1931	336,137,679	427,465,369	— 91,327,690	—21.37	242,660	242,726
1932	266,892,520	336,182,295	— 69,289,775	—20.61	242,312	240,943
1933	213,851,168	266,231,186	— 52,380,018	—19.67	241,189	241,467
1934	248,104,297	211,882,826	+ 36,221,471	+17.10	239,389	241,263
1935	254,566,767	248,122,284	+ 6,444,483	+ 2.60	238,162	239,433
1936	300,049,784	254,555,005	+ 45,494,779	+17.87	237,051	238,280
1937	321,247,925	300,021,278	+ 21,226,647	+ 7.07	233,515	234,285
1938	250,558,802	321,149,675	— 70,590,873	—21.98	234,851	235,620
1939	276,341,856	250,510,207	+ 25,831,649	+10.31	233,708	234,789
1940	312,749,442	276,341,857	+ 36,407,585	+13.18	233,010	233,704
1941	357,580,996	312,869,481	+ 44,711,515	+14.29	232,415	233,052
1942	462,482,830	357,564,014	+104,918,816	+29.35	231,593	232,414

Month of February—	Net Earnings			
	Year Given	Year Preceding	Increase (+) or Decrease (—)	%
1909	$47,622,634	$36,072,983	+$11,549,651	+ 32.02
1910	56,204,145	48,910,423	+ 7,293,722	+ 14.91
1911	49,718,911	56,580,655	— 6,861,744	— 12.13
1912	57,411,107	49,135,958	+ 8,275,149	+ 16.84
1913	59,461,341	57,458,572	+ 2,002,769	+ 3.48
1914	39,657,965	59,553,012	— 19,895,047	— 33.40
1915	51,257,053	39,274,776	+ 11,982,277	+ 30.50
1916	79,929,463	51,043,120	+ 28,886,343	+ 56.59
1917	58,964,299	80,331,661	— 21,367,362	— 26.60
1918	27,305,808	56,250,628	— 28,944,820	— 51.45
1919	27,623,406	28,814,420	— 1,191,014	— 4.13
1920	10,688,571	27,117,462	— 16,428,891	— 60.58
1921	20,771,731	9,234,932	+ 11,536,799	+124.92
1922	76,706,840	21,824,020	+ 54,882,820	+251.47
1923	70,387,622	76,630,334	— 6,242,712	— 8.14
1924	104,117,278	70,729,908	+ 33,387,370	+ 47.20
1925	99,460,389	104,441,895	— 4,981,506	— 4.76
1926	99,480,650	99,518,658	— 38,008	— 0.03
1927	107,148,249	99,399,962	+ 7,748,287	+ 7.79
1928	108,120,729	107,579,051	+ 541,678	+ 0.50
1929	126,368,848	108,987,455	+ 17,381,393	+ 15.94
1930	97,448,899	125,577,866	— 28,128,967	— 22.39
1931	64,618,641	97,522,762	— 32,904,121	— 33.73
1932	57,375,537	66,078,525	— 8,702,988	— 13.17
1933	41,460,593	56,187,604	— 14,727,011	— 26.21
1934	59,923,775	40,914,074	+ 19,009,701	+ 46.46
1935	54,896,705	59,927,200	— 5,030,495	— 8.39
1936	64,601,551	55,402,531	+ 9,199,020	+ 16.60
1937	77,743,876	64,603,867	+ 13,140,009	+ 20.33
1938	35,705,600	77,778,245	— 42,072,645	— 54.09
1939	56,242,842	35,711,887	+ 20,530,955	+ 57.49
1940	72,888,743	56,242,821	+ 16,645,922	+ 29.60
1941	102,734,685	73,008,615	+ 29,726,070	+ 40.72
1942	134,878,897	102,735,090	+ 32,143,807	+ 31.29

Federal Reserve Reports Brokers' Balances

The Board of Governors of the Federal Reserve System announced on April 21 that member firms of the New York Stock Exchange carrying margin accounts for customers reported for March a decrease of $3,000,000 in their customers' debit balances and a decrease of $1,000,000 in money borrowed by the reporting firms. These firms, says the Board, also reported decreases of $8,000,000 in their cash on hand and $13,000,000 in their customers' free credit balances. During the year ended March 31, 1942, customers' debit balances decreased by $102,000,000 and money borrowed decreased by $81,000,000, the Board states. The Board presents the following summary of the customers' debit balances and principal related items of the member firms of the New York Stock Exchange that carry margin accounts, together with changes for the month and year ended March 31, 1942:

(Ledger Balances in Millions of Dollars)

	Mar. 31, 1942	Increase or decrease Since Feb. 28, 1942	Increase or decrease Since Mar. 31, 1941
Debit Balances:			
Customers' debit balances	531	— 3	—102
Debit balances in firm and partners' investment and trading accounts	78	— 4	— 12
Cash on hand and in banks	195	— 8	— 4
Credit Balances:			
Money borrowed	306	— 1	— 81
Customers' credit balances:			
Free	249	—13	— 19
Other	67	+ 1	+ 11
Credit balances in firm and partners' investment and trading accounts	20	— 3	— 7
Credit balances in capital accounts	201	— 5	— 30

Weekly Anthracite And Coke Output Statistics

The United States Department of the Interior, Bureau of Mines, reported that production of Pennsylvania anthracite for the week ended April 18 was estimated at 1,318,000 net tons, an increase of 206,000 tons, or 18.5%, over the preceding week. When compared with the output in the corresponding week of 1941, there was an increase of 729,000 tons (about 124%). The calendar year to date shows a gain of 9.6% when compared with the corresponding period of 1941.

The Bureau of Mines also reported that the estimated production of byproduct coke in the United States for the week ended April 18 showed an increase of 3,700 tons over the output of the preceding week. Coke from beehive ovens increased 900 tons during the same period.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE (IN NET TONS)

	Week Ended			Calendar Year to Date		
Penn. Anthracite—	§Apr. 18, 1942	Apr. 11, 1942	Apr. 19, 1941	Apr. 18, 1942	Apr. 19, 1941	Apr. 20, 1929
*Total, including colliery fuel	1,318,000	1,112,000	589,000	17,233,000	15,729,000	22,102,000
†Commerc'l production	1,252,000	1,056,000	560,000	16,371,000	14,943,000	20,511,000
Beehive Coke—						
U. S. total	153,000	152,100	7,800	2,298,800	1,673,000	1,900,900
By-Product Coke—						
U. S. total	1,162,000	1,158,300	‡	18,040,600	‡	‡

*Includes washery and dredge coal, and coal shipped by truck from authorized operations. †Excludes colliery fuel. ‡Comparable data not available. §Subject to revision.

Bank Debits Up 10% From Last Year

Bank debits as reported by banks in leading centers for the week ended April 22 aggregated $10,995,000,000. Total debits during the 13 weeks ended April 22 amounted to $140,755,000,000, or 13% above the total reported for the corresponding period a year ago. At banks in New York City there was an increase of 4% compared with the corresponding period a year ago, and at the other reporting centers there was an increase of 19%.

SUMMARY BY FEDERAL RESERVE DISTRICTS

[In millions of dollars]

Federal Reserve District—	Week Ended Apr. 22, 1942	Week Ended Apr. 23, 1941	13 Weeks Ended Apr. 22, 1942	13 Weeks Ended Apr. 23, 1941
Boston	629	555	8,318	7,021
New York	4,107	4,088	53,985	51,556
Philadelphia	588	594	7,558	6,713
Cleveland	846	729	10,322	8,698
Richmond	492	382	5,851	4,816
Atlanta	399	325	4,951	4,091
Chicago	1,702	1,423	21,943	19,024
St. Louis	370	309	4,610	3,765
Minneapolis	218	202	2,603	2,104
Kansas City	360	294	4,487	3,671
Dallas	292	253	3,794	3,126
San Francisco	994	819	12,331	10,060
Total, 274 reporting centers	10,995	9,972	140,755	124,646
New York City*	3,715	3,752	48,822	47,131
140 other centers*	6,285	5,405	79,339	67,180
133 other reporting centers	996	815	12,594	10,334

*Included in the national series covering 141 centers, available beginning with 1919.

Reports Sharp Drop In Strikes In War Plants

William H. Davis, Chairman of the National War Labor Board, disclosed on April 21 that only .06 of 1% of the man-hours worked in war industries in the first quarter of 1941 were lost through strikes. Mr. Davis reported that there were approximately 332,000 man-days of idleness due to strikes affecting the war effort during the first quarter of 1942 or about one-fourth of the approximately 1,384,000 man-days idle for the first quarter of 1941.

At the same time, he added, employment on war materials has increased three and two-thirds times since the first quarter of 1941 — from about 156,000,000 man-days in the first quarter of 1941 to about 552,000,000 for the first quarter of 1942.

Expressed as a percentage of war employment, Mr. Davis further said, idleness in strikes related to war production was approximately 90-100 of 1% in the first quarter of 1941 and only 6-100 of 1% for the first quarter of 1942.

In advices from the Washington bureau of the New York "Journal of Commerce" Mr. Davis was also quoted as saying:

> From now on there will be one official list of strikes affecting the war. The new plan for co-ordinating all strike data into a single list has been adopted to end the confusion of the past and to give the public a clear picture.
>
> The War Labor Board has been charged with the responsibility of substituting peaceful settlement of disputes for strikes and lockouts under the pledge made by labor and industry last December. For this reason, the board has been given sole responsibility for disseminating information concerning the effectiveness of that pledge. Considering the gigantic size of the war production program, the deck is relatively clear. From now on, we are going to get down on our hands and knees and scrub that deck. We won't be really satisfied until its spotless.

Extend Wage-Hour Law

In a new interpretation of wage-hour law, L. Metcalfe Walling, Administrator of the Wage and Hour Division of the U. S. Department of Labor announced on April 20 an extension of the Division's interpretation of the coverage of the law to include employes engaged in producing commodities which, although entirely consumed within the state of manufacture, aid or facilitate the production of other goods for interstate commerce. In making known the latest interpretation, Mr. Walling said:

> Typical of the employes affected by the broadened application of the law, are employes engaged in producing electric energy, steam, fuel or water for use within the state of production by railway terminals or depots, telephone exchanges, radio broadcasting stations, or by manufacturers who in turn produce goods for interstate commerce.

Mr. Walling also says:

> The decisions upon which the broadened interpretation of coverage is based were handed down in the Third Court of Appeals, in a case involving the A. B. Kirschbaum Co., Philadelphia, Pa., and in the Second Circuit Court of Appeals, in proceedings against the Arsenal Building Corp., New York City.

Both companies are building operators leasing space and furnishing services to firms which produce goods for interstate commerce.

Newsprint Held Ample

Charles Vining, President of the Newsprint Association of Canada, said on April 20 that there will be a sufficient supply of newsprint for North American consumers to carry them through the balance of 1942. Mr. Vining said he made the statement to counteract a misconception that had arisen from reports of probable hydro-power diversion from newsprint mills to aluminum.

His statement as given in Canadian Press advices from Montreal, said in part:

> We have made careful estimates of newsprint supply and consumption for the balance of 1942. Our conclusion is that, after allowing for curtailment of power now in prospect, there will be mill capacity to meet the regular requirements of the Canadian industry's contract customers in the United States and Canada throughout 1942.

William L. Batt, Chairman of the United States-Canadian Materials Coordinating Committee, said, after a recent conference with Canadian officials in Washington, that new war industries being established in Canada probably will result in curtailment of electric power late this year for non-war uses, affecting United States supplies of newsprint. The determining factor, he stated, will be the rainfall in Canada. The Canadian newsprint industry, one of Canada's largest power consumers, supplies about 70% of this country's newsprint.

The bulk of the Dominion's available electric power will be taken by aluminum and chemical plants projected for Canada, at the request of the United States.

Allies Need Shipping Pool

Harry Hopkins and Gen. George C. Marshall, Army Chief of Staff, just back from their mission to Britain, reported to President Roosevelt at a White House luncheon meeting on April 20. Also present at the conference were Secretary of State Hull and John G. Winant, Ambassador to Britain.

Mr. Hopkins, who is Lend-Lease Supervisor, and head of the United States Munitions Assignment Board, said after the meeting that he had been mainly concerned with the shipping problem in his talks in London. He said he had discussed the "building of ships, the use of ships, the whole question of supplies from our two countries to various United Nations, particularly supplies to Russia, China and Australia." He added that "this involves vast amounts of shipping. It requires a real pooling of all the ships the United Nations own."

Their mission in London was referred to in these columns April 16, page 1559.

Against Seaway Project

The New York State Assembly on April 22 adopted a resolution seeking to put the State on record as opposed to development of the St. Lawrence seaway project. The vote was 101 to 40. The resolution, sponsored by Assemblyman Caffrey, Buffalo Democrat, was sent to the Senate, which termed the project "the height of folly" in war time.

Last year the Assembly passed a similar resolution but the Senate defeated it.

Moody's Daily Commodity Index

Tuesday, April 21	231.6
Wednesday, April 22	232.5
Thursday, April 23	232.2
Friday, April 24	231.8
Saturday, April 25	231.7
Monday, April 27	231.2
Tuesday, April 28	230.1
Two weeks ago, April 14	232.5
Month ago, March 28	232.1
Year ago, April 28	185.4
1941 High—Sept. 9	219.9
Low—Feb. 17	171.6
1942 High—April 7	234.0
Low—Jan. 2	220.0

Moody's Bond Prices And Bond Yield Averages

Moody's computed bond prices and bond yield averages are given in the following tables:

MOODY'S BOND PRICES†
(Based on Average Yields)

1942— Daily Averages	U. S. Govt. Bonds	Avge. Corporate *	Corporate by Ratings *				Corporate by Groups *		
			Aaa	Aa	A	Baa	R. R.	P. U.	Indus
Apr. 28	117.51	106.56	116.22	113.12	107.62	91.91	96.54	110.52	113.70
27	117.72	106.74	116.22	113.12	107.62	92.06	96.69	110.52	113.70
25	117.78	106.74	116.22	113.31	107.62	92.06	96.69	110.70	113.89
24	117.80	106.74	116.22	113.12	107.62	92.06	96.69	110.70	113.70
23	117.88	106.74	116.41	113.31	107.62	92.06	96.85	110.70	113.70
22	117.99	106.92	116.41	113.50	107.62	92.20	96.85	110.88	113.89
21	117.96	106.92	116.41	113.50	107.62	92.20	97.00	110.88	113.89
20	118.03	106.92	116.41	113.70	107.62	92.20	96.85	110.70	114.08
18	118.12	106.92	116.41	113.70	107.62	92.20	97.00	110.88	113.89
17	118.08	106.92	116.41	113.70	107.62	92.20	96.85	110.88	113.89
16	118.13	106.92	116.41	113.70	107.62	92.20	96.85	110.70	114.08
15	118.16	106.92	116.41	113.70	107.62	92.20	97.00	110.88	113.89
14	118.18	106.92	116.41	113.70	107.62	92.06	96.85	110.70	113.89
13	118.16	106.92	116.41	113.70	107.62	92.20	97.00	110.70	114.08
11	118.07	106.92	116.41	113.70	107.62	92.35	97.16	110.70	114.08
10	118.06	106.92	116.41	113.89	107.62	92.35	97.16	110.70	114.08
9	118.07	106.92	116.41	113.70	107.62	92.35	97.16	110.70	114.08
8	118.11	106.92	116.41	113.70	107.62	92.35	97.16	110.70	114.08
7	118.11	106.92	116.41	113.70	107.62	92.50	97.16	110.70	114.08
6	118.17	106.92	116.22	113.70	107.62	92.20	97.16	110.52	113.89
4	118.16	106.92	116.41	113.70	107.62	92.20	97.00	110.52	114.08
3				STOCK EXCHANGE CLOSED					
2	118.10	106.92	116.22	113.70	107.62	92.20	97.00	110.52	114.08
1	118.03	106.92	116.22	113.70	107.62	92.20	97.00	110.52	113.89
Mar. 27	118.20	106.74	116.22	113.50	107.62	91.91	97.00	110.34	113.50
20	117.80	106.21	115.63	113.12	107.09	91.34	96.85	109.79	112.93
13	117.33	106.21	115.43	112.93	107.27	91.34	96.85	109.60	112.75
6	117.32	106.21	115.63	112.93	107.27	91.62	96.85	109.79	113.31
Feb. 27	116.34	106.39	115.63	113.31	107.62	91.62	96.85	110.15	113.31
20	116.32	106.56	115.82	113.31	107.80	91.62	96.85	110.34	113.50
13	116.27	106.74	116.41	113.50	107.80	91.77	97.16	110.70	113.50
6	117.02	106.74	116.41	113.50	107.80	91.91	97.16	110.70	113.70
Jan. 30	117.08	106.92	116.22	113.70	107.80	92.06	97.31	110.52	113.70
23	117.51	106.92	116.22	114.08	107.62	91.91	97.31	110.70	113.70
16	117.60	106.92	116.41	113.89	107.62	91.91	97.31	110.52	113.70
9	118.00	106.92	116.61	114.08	107.62	91.77	97.16	110.70	113.89
2	117.61	106.04	115.82	113.50	107.09	90.63	95.92	110.34	113.31
High 1942	118.27	106.92	116.61	114.08	107.98	92.50	97.47	110.88	114.08
Low 1942	115.90	106.04	115.43	112.93	107.09	90.63	95.92	109.60	112.75
High 1941	120.05	108.52	118.60	116.02	109.60	92.50	97.78	112.56	116.4
Low 1941	115.89	105.52	116.22	112.00	106.04	89.23	95.62	109.42	111.62
1 Year ago April 28, 1941	118.68	106.21	116.61	112.75	106.56	91.19	96.69	110.34	112.37
2 Years ago April 27, 1940	116.20	103.80	116.61	113.31	103.13	85.85	91.48	109.06	112.37

MOODY'S BOND YIELD AVERAGES†
(Based on Individual Closing Prices)

1942— Daily Average	Avge. Corporate	Corporate by Ratings				Corporate by Groups		
		Aaa	Aa	A	Baa	R. R.	P. U.	Indus
Apr. 28	3.36	2.84	3.00	3.30	4.28	3.97	3.14	2.97
27	3.35	2.84	3.00	3.30	4.27	3.96	3.14	2.97
25	3.35	2.84	2.99	3.30	4.27	3.96	3.13	2.96
24	3.35	2.84	3.00	3.30	4.27	3.96	3.13	2.97
23	3.35	2.83	2.99	3.30	4.27	3.95	3.13	2.97
22	3.34	2.83	2.98	3.30	4.26	3.95	3.12	2.90
21	3.34	2.83	2.98	3.30	4.26	3.94	3.12	2.96
20	3.34	2.83	2.97	3.30	4.26	3.95	3.13	2.95
18	3.34	2.83	2.97	3.30	4.26	3.94	3.12	2.96
17	3.34	2.83	2.97	3.30	4.26	3.95	3.12	2.96
16	3.34	2.83	2.97	3.30	4.26	3.95	3.13	2.95
15	3.34	2.83	2.97	3.30	4.26	3.94	3.12	2.96
14	3.34	2.83	2.97	3.30	4.27	3.95	3.13	2.96
13	3.34	2.83	2.97	3.30	4.26	3.94	3.13	2.95
11	3.34	2.83	2.97	3.30	4.25	3.93	3.13	2.95
10	3.34	2.83	2.96	3.30	4.25	3.93	3.13	2.95
9	3.34	2.83	2.97	3.30	4.25	3.93	3.13	2.95
8	3.34	2.83	2.97	3.30	4.25	3.93	3.13	2.95
7	3.34	2.83	2.97	3.30	4.24	3.93	3.13	2.95
6	3.34	2.84	2.97	3.30	4.26	3.93	3.14	2.96
4	3.34	2.83	2.97	3.30	4.26	3.94	3.14	2.95
3				STOCK EXCHANGE CLOSED				
2	3.34	2.84	2.97	3.30	4.26	3.94	3.14	2.95
1	3.34	2.84	2.97	3.30	4.26	3.94	3.14	2.96
Mar. 27	3.35	2.84	2.98	3.30	4.28	3.94	3.15	2.98
20	3.38	2.87	3.00	3.33	4.32	3.95	3.18	3.01
13	3.38	2.88	3.01	3.32	4.32	3.95	3.19	3.02
6	3.38	2.87	3.01	3.32	4.30	3.95	3.18	2.99
Feb. 27	3.37	2.87	2.99	3.30	4.30	3.95	3.16	2.99
20	3.36	2.86	2.99	3.29	4.30	3.95	3.15	2.98
13	3.35	2.83	2.98	3.29	4.29	3.93	3.13	2.98
6	3.35	2.83	2.98	3.29	4.28	3.93	3.13	2.97
Jan. 30	3.34	2.84	2.97	3.29	4.27	3.92	3.14	2.97
23	3.34	2.84	2.95	3.30	4.28	3.92	3.13	2.97
16	3.34	2.83	2.96	3.30	4.28	3.92	3.14	2.97
9	3.34	2.82	2.95	3.30	4.29	3.93	3.13	2.96
2	3.39	2.86	2.98	3.33	4.37	4.01	3.15	2.99
High 1942	3.39	2.88	3.01	3.33	4.37	4.01	3.19	3.02
Low 1942	3.34	2.82	2.95	3.28	4.24	3.91	3.12	2.95
High 1941	3.42	2.86	3.06	3.39	4.47	4.03	3.20	3.08
Low 1941	3.25	2.72	2.85	3.19	4.24	3.89	3.03	2.83
1 Year ago April 28, 1941	3.38	2.82	3.02	3.36	4.33	3.96	3.15	3.04
2 Years ago April 27, 1940	3.52	2.82	2.99	3.56	4.72	4.31	3.22	3.04

* These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages, the latter being the true picture of the bond market.

† The latest complete list of bonds used in computing these indexes was published in the issue of Oct. 2, 1941, page 409.

Non-Ferrous Metals—WPB Calls for Data on Use Of Metals—Refined-Lead Output In U. S. Gains

"Metal and Mineral Markets" in its issue of April 23 reported that the War Production Board has initiated a survey on metals used so far this year and anticipated requirements, the results of which will be used in allotting materials under the new Production Requirements Plan that becomes effective for the quarter beginning July 1. A questionnaire, on form PD-275, is being mailed to mines, railroads, ship yards, utilities, construction jobs, the petroleum industry, and military and naval contractors. Refined-lead statistics, issued yesterday, reveal that production of lead moved up to 59.928 tons during March. The publication further reported:

Copper

Early action is expected on allocations for next month. Sales in the domestic trade for the last week amounted to 14,584 tons, making the total for the month so far 72,147 tons. The price situation on both domestic and foreign copper was unchanged.

Certain sellers of copper were granted permission by OPA to dispose of copper sold on contract prior to Aug. 12, 1941, at prices above the 12c. Valley basis. The order releasing the metal, issued under revised price schedule 15—copper—stipulates that the contracts must be completed prior to July 1, 1942, and no delivery shall be made unless such delivery has been authorized by the War Production Board. The quantity involved is small, amounting to 4,605 tons, and prices realized will average close to 12½c. Valley. Companies named in the order are: American Metal Co.; International Minerals & Metals Corp.; Adolph Lewisohn & Sons; Lewin-Mathes Co.; Shattuck-Denn Mining Corp., and White Bros. Smelting Corp.

Price Administrator Henderson announced April 20 that 13 firms, producing 95% of the brass materials used for small-arms ammunition, have agreed to reduce prices of these products 1c. a pound. In requesting the price reduction, Mr. Henderson said that there will be an increasing concentration of production on a limited number of items for the war effort and OPA believes that fabricators will wish to give careful consideration not only to a further reduction in the prices of the brass products involved, but also on a downward readjustment on all other items sold in large volume to the Government.

Lead

Lead refiners in the United States produced 59,928 tons of refined lead during March, the highest monthly total since last May. Production from domestic ore accounted for 50,919 tons.

The market was inactive during the last week, and is expected to remain quiet until allocations for next month have been decided upon. Producers are scheduled to meet with officials in Washington on April 28 to discuss allocations. Sales of common lead during the last week amounted to only 1,700 tons.

Zinc

The Prime Western division reported sales for the week ended April 18 of 6,250 tons; shipments amounted to 6,807 tons. The backlog increased slightly to 95,616 tons.

Howard I. Young, President of the American Zinc, Lead & Smelting Co., announced that his company brought a new retort furnace block into production during the last week. Output from this block should add between 6,000 and 7,000 tons of slab zinc annually to this country's production.

Total supply of slab zinc in this country for 1942 is estimated at 1,000,000 tons, according to E. V. Gent, Secretary of the American Zinc Institute. This supply, he believes, will be ample for all war needs and essential civilian requirements.

Tin

The effective date of the order halting the use of tin plate for container closures has been postponed until April 30. Bolivians are asking for a higher price on tin concentrate, claiming higher costs.

Straits quality tin for future delivery was nominally as follows:

	April	May	June	July
April 16	52.000	52.000	52.000	52.000
April 17	52.000	52.000	52.000	52.000
April 18	52.000	52.000	52.000	52.000
April 20	52.000	52.000	52.000	52.000
April 21	52.000	52.000	52.000	52.000
April 22	52.000	52.000	52.000	52.000

Chinese tin, 99%, spot, 51.125c., all week.

London Tin—No quotations.

Quicksilver

The position of the market for quicksilver was unchanged last week. Large consumers believe that supplies will be ample and are inclined to lower their bids. Demand was quiet.

Silver

During the past week, silver in London has been unchanged at 23½d. The New York Official and the Treasury prices are also unchanged.

DAILY PRICES OF METALS ("E. & M. J." QUOTATIONS)

April	Electrolytic Copper Domest., Refin.	Electrolytic Copper Exp., Refin.	Straits Tin, New York	Lead New York	Lead St. Louis	Zinc St. Louis
16	11.775	11.700	52.000	6.50	6.35	8.25
17	11.775	11.700	52.000	6.50	6.35	8.25
18	11.775	11.700	52.000	6.50	6.35	8.25
20	11.775	11.700	52.000	6.50	6.35	8.25
21	11.775	11.700	52.000	6.50	6.35	8.25
22	11.775	11.700	52.000	6.50	6.35	8.25
Average	11.775	11.700	52.000	6.50	6.35	8.25

Average prices for calendar week ended April 18 are: Domestic copper f.o.b. refinery, 11.775c.; export copper, f.o.b. refinery, 11.700c.; Straits tin, 52.000c.; New York lead. 6.500c.; St. Louis lead, 6.350c.; St. Louis zinc, 8.250c.; and silver, 35.125c.

The above quotations are "M. & M. M.'s" appraisal of the major United States markets, based on sales reported by producers and agencies. They are reduced to the basis of cash, New York or St. Louis, as noted. All prices are in cents per pound.

Copper, lead and zinc quotations are based on sales for both prompt and future deliveries; tin quotations are for prompt delivery only.

In the trade, domestic copper prices are quoted on a delivered basis; that is, delivered at consumers' plants. As delivery charges vary with the destination, the figures shown above are net prices at refineries on the Atlantic seaboard. Delivered prices in New England average 0.225c. per pound above the refinery basis.

Export quotations for copper are reduced to net at refineries on the Atlantic seaboard. On foreign business, owing to World War II, most sellers are restricting offerings to f.a.s. transactions, dollar basis. Quotations for the present reflect this change in method of doing business. A total of .05c. is deducted from f.a.s. basis (lighterage, etc.) to arrive at the f.o.b. refinery quotation.

Electric Output For Week Ended April 25, 1942 Shows 11.8% Gain Over Same Week In 1941

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended April 25, 1942, was 3,299,181,000 kwh., which compares with 2,950,448,000 kwh. in the corresponding period in 1941, a gain of 11.8%. The output for the week ended April 18, 1942, was estimated to be 3,307,700,000 kwh., an increase of 14.2% over the corresponding week in 1941.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

Major Geographical Divisions—	Week Ended Apr. 25, '42	Apr. 18, '42	Apr. 11, '42	April 4, '42
New England	7.0	10.8	12.4	9.3
Middle Atlantic	9.0	13.0	9.7	9.0
Central Industrial	9.4	11.6	12.3	10.2
West Central	8.4	9.0	8.8	11.5
Southern States	16.7	18.1	18.6	14.8
Rocky Mountain	4.0	2.1	7.7	13.3
Pacific Coast	22.0	25.3	26.4	28.3
Total United States	11.8	14.2	14.3	13.1

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1942	1941	% Change 1942 over 1941	1940	1932	1929
Mar. 7	3.392,121	3,004,639	+12.9	2,553,109	1,538,452	1,702 570
Mar. 14	3.357,444	2,983.591	+12.5	2,550,000	1,537,747	1,687.229
Mar 21	3.357,032	2,983,048	+12.5	2,508,321	1,514.553	1,687.229
Mar. 28	3,345,502	2,975,407	+12.4	2,524,066	1,480,208	1,679.589
Apr. 4	3,348,608	2,959,646	+13.1	2,493,690	1,465,076	1,663,291
Apr. 11	3.320 858	2.905 581	+14.3	2.529.908	1.480.738	1.696 543
Apr. 18	3.307,700	2.897.307	+14.2	2.528.868	1.469.810	1.709 331
Apr. 25	3,299,181	2,950,448	+11.8	2,499,060	1,454,505	1,699,822

Fertilizer Ass'n Price Index Advances Further

The weekly wholesale commodity price index compiled by The National Fertilizer Association which was made public April 27, rose to a new high level last week. The index, in the week ended April 25, 1942, stood at 128.0 compared with 127.7 in the preceding week. A month ago it was 124.0 and a year ago 104.1, based on the 1935-1939 average as 100. This index is now 1.0% above the high point reached in 1929, and is 23% higher than in the corresponding week of 1941.

Prices for foods and farm products continued to climb upward last week resulting in still another advance in the all-commodity price index. In the food group price changes were nearly equal, with 7 items advancing and 5 declining. Rising prices for such commodities as butter, eggs, potatoes, and meats, however, more than offset declines in cheese, flour, and several other less important items; the net result was another upturn in the food price index to a new high level. The farm product price average regained part of the loss suffered in the previous week, as grain and livestock quotations more than counterbalanced a drop in raw cotton. The index of miscellaneous commodities was likewise somewhat higher during the week. The only group average to register a decline was the textile index, which fell off slightly due to a drop in the price of raw cotton.

During the week 17 price series included in the index advanced and 11 declined; in the preceding week there were 25 advances and 26 declines; in the second preceding week there were 28 advances and 8 declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX
Compiled by The National Fertilizer Association
[*1935-1939 = 100]

% Each Group Bears to the Total Index	Group	Latest Week Apr. 25 1942	Preceding Week Apr. 18 1942	Month Ago Mar. 21 1942	Year Ago Apr. 26 1941
25.3	Foods	126.0	125.6	120.9	98.1
	Fats and Oils	138.0	138.0	136.2	97.9
	Cottonseed Oil	159.3	159.3	159.0	103.5
23.0	Farm Products	138.4	137.7	134.4	98.4
	Cotton	191.6	193.3	184.2	104.1
	Grains	114.6	113.9	117.6	89.8
	Livestock	134.3	133.0	128.5	98.5
17.3	Fuels	117.4	117.4	113.3	103.4
10.8	Miscellaneous commodities	128.7	128.3	127.9	114.1
8.2	Textiles	149.2	149.5	147.0	120.6
7.1	Metals	104.4	104.4	104.4	103.7
6.1	Building materials	151.7	151.7	139.8	116.6
1.3	Chemicals and drugs	120.7	120.7	120.3	104.7
.3	Fertilizer materials	118.7	118.7	118.9	106.9
.3	Fertilizers	115.3	115.3	115.3	101.2
.3	Farm machinery	104.1	104.1	104.1	99.7
100.0	All groups combined	128.0	127.7	124.0	104.1

*Indexes on 1926-1928 base were: April 25, 1942, 99.7; April 18, 1942, 99.5; April 26, 1941, 81.1.

Engineering Construction Up 44% In Week

Engineered construction for the week totals $214,369,000, just double the volume reported for the corresponding 1941 week, and 44% above the total of a week ago as reported by "Engineering News-Record" April 23. Public construction is responsible for the gain over last year, climbing 207%, while private work declined 63%. Comparisons with a week ago reveal a 47% gain in public, and a 14% rise in private work. Federal construction is 391% higher than in the 1941 week, and is 46% above the preceding week.

The current week's volume brings 1942 construction to $2,709,514,000, an increase of 47% over the total for the 17-week period last year. Private work, $243,132,000, is 52½% under a year ago, but public construction is 85% higher as a result of the 148% gain in Federal work.

Construction volumes for the 1941 week, last week, and the current week are:

	Apr. 24, 1941	Apr. 16, 1942	Apr. 23, 1942
Total Construction	$107,090,000	$148,577,000	$214,369,000
Private Construction	42,237,000	13,774,000	15,658,000
Public Construction	64,853,000	134,803,000	198,711,000
State and Municipal	27,033,000	7,631,000	12,981,000
Federal	37,820,000	127,172,000	185,730,000

New York Stock Exchange Odd-Lot Trading

The Securities and Exchange Commission has made public a summary for the weeks ended March 7, 14, 21, and 28, and April 4, 1942, of complete figures showing the daily volume of stock transactions for the odd-lot account of all odd-lot dealers and specialists who handle odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE NEW YORK STOCK EXCHANGE

Week Ended—	March 7	March 14	March 21	March 28	April 4
Odd-lot-Sales by Dealers: (Customers' Purchases)					
Number of orders	14,033	12,786	11,870	10,819	8,317
Number of shares	349,884	314,421	285,558	265,064	204,814
Dollar value	$13,451,636	$11,711,571	$10,573,763	$9,614,933	$7,317,406
Odd-lot Purchases by Dealers: (Customers' Sales)					
Number of orders:					
Customers' short sales	381	472	284	176	180
Customers' other sales*	12,394	12,497	10,283	10,526	9,308
Customers' total sales	12,775	12,969	10,567	10,702	9,488
Number of shares:					
Customers' short sales	10,010	11,372	7,647	4,639	3,981
Customers' other sales*	310,007	307,751	245,304	255,425	203,708
Customers' total sales	320,017	319,123	252,951	260,064	207,689
Dollar value	$10,715,929	$10,634,998	$8,109,119	$8,247,957	$5,913,284
Round-lot Sales by Dealers:					
Number of shares:					
Short sales	220	120	130	170	190
Other sales†	79,570	76,480	60,110	63,760	58,290
Total sales	79,790	76,600	60,240	63,930	58,480
Round-lot Purchases by Dealers:					
Number of shares	105,010	84,910	88,470	75,860	60,240

*Sales marked "short exempt" are reported with "other sales." †Sales to offset customers' odd-lot orders, and sales to liquidate a long position which is less than a round lot are reported with "other sales."

Trading On New York Exchanges

The Securities and Exchange Commission made public on April 15 figures showing the daily volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the weeks ended Feb. 28, and March 7, 14, 21, and 28, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

The data published are based upon weekly reports filed with the New York Stock Exchange and the New York Curb Exchange by their respective members. These reports are classified as follows:

New York Stock Exchange—Week Ended—	Feb. 28	Mar. 7	Mar. 14	Mar. 21	Mar. 28
Total number of reports received	1,041	1,040	1,044	1,024	1,023
1. Reports showing transactions as specialists	182	183	179	173	173
2. Reports showing other transactions initiated on the floor	128	146	128	142	118
3. Reports showing other transactions initiated off the floor	146	185	89	141	138
4. Reports showing no transactions	646	614	641	632	644
New York Curb Exchange					
Total number of reports received	739	738	737	735	728
1. Reports showing transactions as specialists	95	93	91	93	94
2. Reports showing other transactions initiated on the floor	19	24	21	17	19
3. Reports showing other transactions initiated off the floor	45	63	51	52	49
4. Reports showing no transactions	586	567	580	573	572

Note—On the New York Curb Exchange, odd-lot transactions are handled solely by specialists in the stocks in which they are registered and the round-lot transactions of specialists resulting from such odd-lot transactions are not segregated from the specialists' other round-lot trades. On the New York Stock Exchange, on the other hand, all but a fraction of the odd-lot transactions are effected by dealers engaged solely in the odd-lot business. As a result, the round-lot transactions of specialists in stocks in which they are registered are not directly comparable on the two Exchanges.

The number of reports in the various classifications may total more than the number of reports received because a single report may carry entries in more than one classification.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)

Total for Week of—	Feb. 28	% a	Mar. 7	% a	Mar. 14	% a	Mar. 21	% a	Mar. 28	% a
A. Total Round-Lot Sales:										
Short sales	69,330		94,400		85,100		70,500		58,920	
Other sales b	1,709,100		2,522,660		2,064,440		1,892,980		1,756,460	
Total sales	1,778,430		2,617,060		2,149,540		1,963,480		1,815,380	
B. Round-Lot Transactions for the Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:										
1. Transactions of specialists in stocks in which they are registered—										
Total purchases	139,470		175,040		161,120		170,390		118,330	
Short sales	32,830		45,330		36,800		31,230		23,120	
Other sales b	106,980		153,350		113,660		113,420		91,280	
Total sales	139,810	7.85	198,680	7.14	150,460	7.25	144,650	8.02	114,400	6.41
2. Other transactions initiated on the floor—										
Total purchases	68,820		70,950		75,340		92,960		67,090	
Short sales	14,100		14,000		11,800		11,700		10,000	
Other sales b	46,630		96,175		58,720		73,830		55,620	
Total sales	60,730	3.64	110,175	3.46	70,520	3.39	85,530	4.55	65,620	3.66
3. Other transactions initiated off the floor—										
Total purchases	39,390		60,680		51,660		36,030		39,820	
Short sales	6,400		5,960		8,020		6,950		10,700	
Other sales b	43,020		110,800		52,370		54,160		49,350	
Total sales	49,420	2.50	116,760	3.39	60,390	2.61	61,110	2.47	60,050	2.75
4. Total—										
Total purchases	247,680		306,670		288,120		299,380		225,240	
Short sales	53,330		65,290		56,620		49,880		43,820	
Other sales b	196,630		360,325		224,750		241,410		196,250	
Total sales	249,960	13.99	425,615	13.99	281,370	13.25	291,290	15.04	240,070	12.82

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)

Total for Week of—	Feb. 28	% a	Mar. 7	% a	Mar. 14	% a	Mar. 21	% a	Mar. 28	% a
A. Total Round-Lot Sales:										
Short sales	5,260		4,470		4,855		2,810		4,100	
Other sales b	250,335		491,070		379,490		349,610		365,780	
Total sales	255,595		495,540		384,345		352,420		369,880	
B. Round-Lot Transactions for the Account of Members:										
1. Transactions of specialists in stocks in which they are registered—										
Total purchases	27,470		30,180		33,165		29,850		28,480	
Short sales	2,700		3,515		3,170		2,260		3,500	
Other sales b	30,490		65,100		33,090		40,315		47,550	
Total sales	33,190	11.87	68,615	9.97	36,260	9.03	42,575	10.42	51,050	10.75
2. Other transactions initiated on the floor—										
Total purchases	5,005		4,650		3,150		6,460		3,025	
Short sales	200		300		275		0		0	
Other sales b	2,250		8,160		5,300		7,750		2,850	
Total sales	2,450	1.57	8,460	1.32	5,575	1.13	7,750	2.05	2,850	0.79
3. Other transactions initiated off the floor—										
Total purchases	3,645		7,305		6,500		7,355		6,160	
Short sales	2,310		500		610		300		100	
Other sales b	8,130		20,820		12,070		11,360		14,585	
Total sales	10,440	2.76	21,320	2.89	12,680	2.50	11,660	2.74	14,685	2.82
4. Total—										
Total purchases	36,720		42,135		42,815		43,665		37,665	
Short sales	5,210		4,315		4,055		2,560		3,600	
Other sales b	40,870		94,080		50,460		59,425		64,985	
Total sales	46,080	16.20	98,395	14.18	54,515	12.66	61,985	15.21	68,585	14.36
C. Odd-Lot Transactions for the Account of Specialists—										
Customers' short sales	0		0		0		0		50	
Customers' short sales c	21,609		27,239		27,152		24,750		25,862	
Total purchases	21,609		27,239		27,152		24,750		25,912	
Total sales	12,573		18,778		17,413		15,358		15,537	

*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

a Shares in members' transactions as per cent of twice total round-lot volume. In calculating these percentages, the total members' transactions is compared with twice the total round-lot volume on the Exchange for the reason that the total of members' transactions includes both purchases and sales, while the Exchange volume includes only sales.

b Round-lot short sales which are exempted from restriction by the Commission rules are included with "other sales."

c Sales marked "short exempt" are included with "other sales."

End Cotton Stamp Program

The U. S. Department of Agriculture announced on April 24 that its Cotton Stamp program is being terminated. Operations are scheduled to end before the close of the current fiscal year, June 30, in areas where the program has been in effect in the Northeast, South and West. The program was terminated April 15 in Midwestern States. In announcing this the Department said:

> Officials of the Department's Agricultural Marketing Administration pointed out that with cotton selling at near parity and textile mills working at capacity to meet war demands for cotton goods, need for the Cotton Stamp program is less urgent. They also stated that funds were not available for continuing the program.
>
> The Cotton Stamp program is not to be confused with the Supplementary Cotton program under which white stamps for the purchase of cotton goods were distributed free to cotton farmers who made certain adjustments in 1941 acreages. Although issuance of stamps under the Cotton Stamp program ends with closing dates announced locally, retail merchants have been assured that all stamps accepted under either program will be redeemed at face value when submitted for payment.

Designed to aid cotton farmers by broadening the domestic market for cotton goods, the Cotton Stamp program began in Memphis, in May, 1940. It was gradually extended to a total of 39 areas throughout the United States as of August, 1941. No new areas have been opened since that date.

Business Expert Draft May Be Necessary

Donald M. Nelson, Chairman of the War Production Board, in reviewing the latter's accomplishments since its organization last January, told the Senate Defense Investigating Committee on April 21 that Congressional criticism of dollar-a-year men was making it difficult to obtain business executives for war production posts. He is reported as saying that it might be necessary to draft executives for posts in the conversion program in view of their hesitancy to accept because of criticism which they have faced. From Associated Press accounts from Washington, April 21, we quote:

> Mr. Nelson reported that "American industry has done a good job, and so has labor," but warned that there was still a lot of work to be done, a number of corners to be rounded and many problems to be met.
>
> Further than that, he said, Congress was not helping matters by criticizing business men, sending probing questionnaires to the firms which had released them for Government service and generally impugning the honesty of their intentions.
>
> "It is getting to the point," Mr. Nelson said plaintively, "where if you know something about business you are a suspect."
>
> The Production Chief said the WPB needed more men who knew their way around in industry, adding that many of them were reluctant to face the criticism to which they were likely to be subjected.

The same advices stated that Senator Harry S. Truman, Missouri Democrat, and Chairman of the Defense Investigating Committee, before which Mr. Nelson testified, promptly declared that he saw no reason why such business executives could not be drafted. Mr. Nelson replied that the matter was a question for Congress to decide and that until such a step was taken, less criticism might help.

Mr. Nelson also told the Committee that the country's military production was "over the hump" and was keeping pace with the Axis Powers, although it will probably take a few months to overcome the enemies reserves. Speaking in this respect much along the lines of an address he delivered before the American Society of Newspaper Editors in New York on April 17, to which we referred in our issue of April 23, page 1629. As to his testimony before the Senate Committee the Associated Press said:

> The War Production Chieftain sketched for the Senate Defense Investigating Committee a picture of rounded activities he said were keeping the assembly lines moving at such a pace that a few months would find the Axis on the short end of military equipment scales.

Urges Staggering of Vacations and Travel

Joseph B. Eastman, Director of the Office of Defense Transportation, has urged that vacations be staggered throughout the year and that vacation traveling where possible take place the middle of the week in order to avoid traffic congestion. In a memorandum to all Government agencies, Mr. Eastman requested Federal employes to begin and end their annual leaves or vacations on Tuesdays, Wednesdays or Thursdays and to schedule such vacations throughout the 12 months of the year.

The War Production Board has also appealed to the Nation's motorists to conserve their tires and automobiles by following conservation suggestions made to State motor vehicle departments, and by avoiding unnecessary driving.

Revenue Freight Car Loadings During Week Ended April 18, 1942 Totaled 846,562 Cars

Loading of revenue freight for the week ended April 18, totaled 846,562 cars, the Association of American Railroads announced on April 23. The increase above the corresponding week in 1941 was 137,769 cars or 19.4%, and above the same week in 1940 was 218,094 cars or 34.7%.

Loading of revenue freight for the week of April 18 increased 32,329 cars or 4% above the preceding week.

Miscellaneous freight loading totaled 379,633 cars, an increase of 15,033 cars above the preceding week, and an increase of 34,660 cars above the corresponding week in 1941.

Loading of merchandise less than carload lot freight totaled 129,436 cars, a decrease of 2,931 cars below the preceding week, and a decrease of 31,573 cars below the corresponding week in 1941.

Coal loading amounted to 166,618 cars, an increase of 5,972 cars above the preceding week, and an increase of 133,214 cars above the corresponding week in 1941 which was affected by strike.

Grain and grain products loading totaled 36,172 cars an increase of 2,311 cars above the preceding week, and an increase of 2,660 cars above the corresponding week in 1941. In the Western Districts alone, grain and grain products loading for the week of April 18 totaled 22,886 cars, an increase of 1,910 cars above the preceding week, and an increase of 3,066 cars above the corresponding week in 1941.

Live stock loading amounted to 12,803 cars, an increase of 1,686 cars above the preceding week, and an increase of 1,301 cars above the corresponding week in 1941. In the Western Districts alone, loading of live stock for the week of April 18 totaled 10,122 cars, an increase of 1,675 cars above the preceding week, and an increase of 1,061 cars above the corresponding week in 1941.

Forest products loading totaled 49,718 cars, an increase of 2,851 cars above the preceding week, and an increase of 8,823 cars above the corresponding week in 1941.

Ore loading amounted to 58,257 cars an increase of 7,250 cars above the preceding week, but a decrease of 16,088 cars below the corresponding week in 1941.

Coke loading amounted to 13,925 cars, an increase of 157 cars above the preceding week, and an increase of 4,772 cars above the corresponding week in 1941.

All districts reported increases compared with the corresponding week in 1941 except the Northwestern and all districts reported increases over 1940.

	1942	1941	1940
Five weeks of January	3,858,273	3,454,409	3,215,565
Four weeks of February	3,122,773	2,866,565	2,465,685
Four weeks of March	3,171,439	3,066,011	2,489,280
Week of April 4	828,890	683,402	602,835
Week of April 11	814,233	679,808	619,105
Week of April 18	846,562	708,793	628,468
Total	12,642,170	11,458,988	10,020,938

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended April 18, 1942. During this period 100 roads showed increases when compared with the corresponding week last year.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS (NUMBER OF CARS)—WEEK ENDED APRIL 18

Railroads	Total Revenue Freight Loaded			Total Loads Received from Connections	
	1942	1941	1940	1942	1941
Eastern District—					
Ann Arbor	538	557	665	1,444	1,189
Bangor & Aroostook	2,543	1,690	2,107	293	231
Boston & Maine	7,870	7,622	6,374	16,715	11,970
Chicago, Indianapolis & Louisville	1,570	961	1,186	2,045	1,844
Central Indiana	40	11	14	66	45
Central Vermont	1,131	1,427	1,362	2,168	2,206
Delaware & Hudson	7,101	4,820	4,638	13,104	8,252
Delaware, Lackawanna & Western	8,645	8,539	8,428	9,878	7,189
Detroit & Mackinac	293	266	231	123	121
Detroit, Toledo & Ironton	1,931	1,847	2,364	1,249	727
Detroit & Toledo Shore Line	323	380	296	3,181	2,078
Erie	14,715	15,002	11,335	16,523	11,245
Grand Trunk Western	4,462	6,286	4,830	8,227	7,449
Lehigh & Hudson River	184	326	305	3,919	1,874
Lehigh & New England	2,363	1,455	2,044	2,025	727
Lehigh Valley	9,634	7,720	7,837	12,368	7,444
Maine Central	*2,539	2,738	2,361	*4,122	3,005
Monongahela	6,709	450	4,160	397	343
Montour	2,301	35	1,561	36	42
New York Central Lines	47,706	46,115	38,556	56,270	30,048
N. Y., N. H. & Hartford	11,872	11,257	8,633	20,868	14,603
New York, Ontario & Western	1,001	832	1,072	3,281	1,977
New York, Chicago & St. Louis	7,684	6,437	4,898	15,014	9,906
N. Y., Susquehanna & Western	535	468	371	1,533	1,357
Pittsburgh & Lake Erie	8,568	6,691	5,784	8,553	4,388
Pere Marquette	5,970	6,759	6,078	6,377	5,048
Pittsburgh & Shawmut	774	56	752	26	74
Pittsburgh, Shawmut & North	442	195	372	313	165
Pittsburgh & West Virginia	897	422	761	3,071	2,052
Rutland	483	631	617	1,044	921
Wabash	5,620	5,936	5,153	11,797	8,322
Wheeling & Lake Erie	4,972	4,254	3,182	4,826	3,454
Total	171,416	152,185	138,327	230,856	150,296
Allegheny District—					
Akron, Canton & Youngstown	672	638	538	989	765
Baltimore & Ohio	40,376	29,480	28,096	27,321	16,709
Bessemer & Lake Erie	5,443	4,696	2,255	2,021	1,438
Buffalo Creek & Gauley	314	5	296	2	2
Cambria & Indiana	1,889	6	1,164	11	28
Central R. R. of New Jersey	7,995	7,375	6,084	21,365	12,046
Cornwall	672	666	639	79	38
Cumberland & Pennsylvania	282	53	222	14	40
Ligonier Valley	142	29	88	47	53
Long Island	841	814	560	3,414	2,684
Penn-Reading Seashore Lines	1,733	1,539	1,159	2,578	1,642
Pennsylvania System	82,840	67,958	56,330	63,618	36,993
Reading Co.	17,083	15,777	13,947	30,168	15,944
Union (Pittsburgh)	21,251	20,647	13,125	5,568	4,236
Western Maryland	4,229	2,231	3,300	13,043	6,261
Total	185,762	151,914	127,803	170,238	98,879
Pocahontas District—					
Chesapeake & Ohio	28,143	8,883	22,474	13,382	7,410
Norfolk & Western	24,069	7,533	18,674	7,370	4,595
Virginian	4,784	553	4,137	1,855	1,457
Total	56,996	16,969	45,285	22,607	13,462
Southern District—					
Alabama, Tennessee & Northern	352	340	226	348	153
Atl. & W. P.—W. R. R. of Ala.	924	896	709	2,313	1,690
Atlanta, Birmingham & Coast	781	785	614	1,210	1,050
Atlantic Coast Line	13,653	13,255	9,507	9,225	6,031
Central of Georgia	4,350	4,834	3,841	4,326	3,688
Charleston & Western Carolina	450	529	406	1,825	1,467
Clinchfield	1,765	1,637	1,250	2,810	1,833
Columbus & Greenville	388	263	330	221	336
Durham & Southern	194	169	175	423	320
Florida East Coast	2,086	1,051	1,224	1,344	1,077
Gainesville Midland	41	39	31	100	128
Georgia	1,436	1,141	1,028	2,461	1,706
Georgia & Florida	386	388	258	605	602
Gulf, Mobile & Ohio	4,889	3,995	3,151	3,628	3,495
Illinois Central System	28 121	22,517	18,661	15,265	11,915
Louisville & Nashville	27,638	15,127	21,044	10,351	6,941
Macon, Dublin & Savannah	171	175	120	757	711
Mississippi Central	183	156	148	510	321
Nashville, Chattanooga & St. L.	3,340	3,654	2,953	3,994	3,200
Norfolk Southern	1,359	1,487	1,216	1,558	955
Piedmont Northern	483	513	389	1,235	1,235
Richmond, Fred. & Potomac	573	385	344	10,163	5,477
Seaboard Air Line	11,134	10,380	9,090	7,593	5,108
Southern System	25,973	24,307	20,753	23,323	15,414
Tennessee Central	740	604	395	970	555
Winston-Salem Southbound	124	141	148	871	707
Total	131,534	108,768	98,011	107,429	76,115
Northwestern District—					
Chicago & North Western	21,368	21,135	15,116	12,250	10,199
Chicago Great Western	2,702	2,596	2,490	3,142	2,771
Chicago, Milw., St. P. & Pac.	20,058	19,092	18,316	9,310	7,489
Chicago, St. Paul, Minn. & Omaha	3,560	3,350	3,141	3,452	3,503
Duluth, Missabe & Iron Range	16,585	21,910	2,032	293	235
Duluth, South Shore & Atlantic	1,036	1,490	647	567	535
Elgin, Joliet & Eastern	10,144	9,566	6,479	10,347	5,016
Ft. Dodge, Des Moines & South	658	513	493	136	133
Great Northern	18,699	20,169	10,499	4,264	3,821
Green Bay & Western	563	603	477	699	653
Lake Superior & Ishpeming	1,991	4,567	332	68	76
Minneapolis & St. Louis	2,310	1,746	1,682	2,229	1,994
Minn., St. Paul & S. S. M.	6,642	6,933	4,740	3,058	2,466
Northern Pacific	10,815	9,540	9,868	4,527	4,107
Spokane International	119	186	126	325	311
Spokane, Portland & Seattle	2,668	2,460	1,766	2,808	1,961
Total	119,918	125,856	78,204	57,475	45,270
Central Western District—					
Atch., Top. & Santa Fe System	22,632	19,687	18,406	10,178	7,278
Alton	3,492	3,170	2,540	3,778	2,404
Bingham & Garfield	619	741	534	80	69
Chicago, Burlington & Quincy	15,739	13,932	13,655	9,831	8,449
Chicago & Illinois Midland	2,584	232	1,786	844	776
Chicago, Rock Island & Pacific	11,998	11,957	10,263	10,477	8,987
Chicago & Eastern Illinois	2,409	2,336	2,382	3,173	2,550
Colorado & Southern	915	681	724	1,721	1,527
Denver & Rio Grande Western	2,399	1,382	1,944	4,645	3,070
Denver & Salt Lake	371	156	408	14	8
Fort Worth & Denver City	990	1,010	944	1,083	908
Illinois Terminal	1,930	1,715	1,539	2,134	1,415
Missouri-Illinois	1,421	1,007	921	438	384
Nevada Northern	2,022	1,950	1,620	147	52
North Western Pacific	939	761	638	386	405
Peoria & Pekin Union	13	9	13	0	0
Southern Pacific (Pacific)	27,911	25,812	23,593	9,908	5,907
Toledo, Peoria & Western	297	334	280	1,192	1,353
Union Pacific System	15,003	14,367	12,897	11,396	8,369
Utah	366	2	261	5	2
Western Pacific	*2,095	1,642	1,646	*3,611	2,462
Total	116,145	102,883	96,994	75,041	56,375
Southwestern District—					
Burlington-Rock Island	161	141	169	200	243
Gulf Coast Lines	5,645	3,997	3,213	2,925	1,805
International-Great Northern	2,511	1,794	1,624	3,649	2,870
Kansas, Oklahoma & Gulf	223	206	156	1,148	968
Kansas City Southern	4,568	2,178	1,785	*2,455	2,281
Louisiana & Arkansas	3,220	2,349	1,808	1,995	2,010
Litchfield & Madison	384	359	355	1,241	849
Midland Valley	596	468	401	309	344
Missouri & Arkansas	222	180	125	480	338
Missouri-Kansas-Texas Lines	6,047	4,045	3,760	4,121	3,580
Missouri Pacific	15,722	13,192	12,014	15,259	10,279
Quanah Acme & Pacific	104	133	76	170	118
St. Louis-San Francisco	8,090	6,660	6,088	7,320	5,148
St. Louis Southwestern	3,406	2,595	2,134	5,240	2,661
Texas & New Orleans	9,671	7,957	6,325	4,211	3,734
Texas & Pacific	4,049	3,832	3,660	5,593	3,951
Wichita Falls & Southern	128	122	140	35	63
Weatherford M. W. & N. W.	44	9	11	30	23
Total	64,791	50,218	43,844	56,381	41,265

*Previous figures.

Note—Previous year's figures revised.

Further Advance In Labor Bureau's Wholesale Price Index In April 18 Week

The Bureau of Labor Statistics, U. S. Department of Labor, announced on April 23 that its comprehensive index of prices of nearly 900 commodities in primary markets again rose moderately, by 0.2%, during the week ended April 18. Sharp seasonal advances in prices for fruits and vegetables together with higher prices for meats were largely responsible for the rise. Agriculture staples—grains, livestock and cotton—were weak and most industrial markets were fairly steady. At 98.3% of the 1926 average the Bureau's index is more than 1% higher than at this time last month. In the past year it has risen over 18%.

The following table shows the index numbers for the principal groups of commodities for the past 3 weeks, for March 21, 1942 and April 19, 1941 and the percentage changes from a week ago, a month ago, and a year ago.

(1926=100)

Commodity Groups—	4-18 1942	4-11 1942	4-4 1942	3-21 1942	4-19 1941	Percentage changes to April 18, 1942, from 4-11 1942	3-21 1942	4-19 1941
All Commodities	98.3	98.1	97.9	97.2	83.0	+0.2	+1.1	+18.4
Farm products	105.2	104.6	104.2	103.1	75.0	+0.6	+2.0	+40.3
Foods	98.6	97.0	97.2	95.5	77.8	+1.6	+3.2	+26.7
Hides and leather products	119.8	119.8	118.1	116.6	104.3	0.0	+2.7	+14.9
Textile products	97.0	97.1	97.0	95.9	80.5	—0.1	+1.1	+20.5
Fuel and lighting materials	78.1	77.9	78.3	78.2	73.3	+0.3	—0.1	+ 6.5
Metals and metal products	103.9	103.9	103.8	103.7	97.8	0.0	+0.2	+ 6.2
Building materials	108.8	110.5	110.5	110.4	100.0	—1.5	—1.4	+ 8.8
Chemicals and allied products	97.1	97.1	97.1	97.1	82.2	0.0	0.0	+18.1
Housefurnishing goods	104.4	104.3	104.3	104.1	91.6	+0.1	+0.3	+14.0
Miscellaneous commodities	89.6	89.7	89.6	89.7	78.4	—0.1	—0.1	+14.3
Raw materials	99.9	99.4	99.4	97.6	77.6	+0.5	+2.4	+28.7
Semimanufactured articles	92.7	92.8	92.8	92.2	85.0	—0.1	+0.5	+ 9.1
Manufactured products	98.6	98.5	98.2	97.9	85.7	+0.1	+0.7	+15.1
All commodities other than farm products	96.9	96.7	96.6	95.9	84.8	+0.2	+1.0	+14.3
All commodities other than farm products and foods	95.5	95.6	95.6	95.3	86.0	—0.1	+0.2	+11.0

Daily Average Crude Oil Production For Week Ended April 18, 1941 Increased 1,600 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended April 18, 1942 was 3,545,000 barrels, a gain of 1,600 barrels over the preceding week. The current figure, however, was 207,650 barrels below the output for the corresponding week last year, and was also 121,800 barrels under the daily average for the month of April as recommended by the Office of Production Coordinator. These recommendations represent the production of all petroleum liquids, including crude oil, condensate and natural gas derivatives recovered from oil, condensate and gas fields. Formerly the recommended rates were for crude oil only.

Giving ground under normal seasonal pressure as improved weather stimulated demand, stocks of finished and unfinished gasoline throughout the nation showed a decline of 1,078,000 barrels to 103,502,000 barrels for the week ended April 18, 1942. The American Petroleum Institute report no longer breaks down figures on refined products stocks by districts as in the past so it is now impossible to give the East Coast inventory figures.

A decline of 673,000 barrels in stocks of gas oil and distillate in the April 18 week pared the figure to 29,929,000 barrels while inventories of residual fuel oil showed a modest improvement at 82,577,000 barrels, up to 51,000 barrels.

Refinery operations showed fractional improvement as 75.7% of capacity, against 75.1% a week earlier. Daily average runs of crude oil to stills were up 30,000 barrels to 3,548,000 barrels Gasoline output during the April 18 week, including estimated unreported, was up 271,000 barrels to 11,005,000 barrels.

Further details as reported by the Institute follow:

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	a O.P.C. Recommendations April	*a* State Allowables Beginning April 1	—Actual Production— Week Ended April 18 1942	Change From Previous Week	4 Weeks Ended April 18 1942	Week Ended April 19 1941
Oklahoma	436,900	436,900	*b*396,650	+ 3,250	391,800	415,100
Kansas	253,400	253,400	*b*253,100	+ 17,000	243,700	218,500
Nebraska	5,000	------	*b*3 950	— 350	4.150	4 250
Panhandle Texas			87,300	— 14,600	84,250	80,600
North Texas			115,250	— 550	131,800	132,550
West Texas			189,950	+ 2,550	197,400	251,700
East Central Texas			79,500	+ 200	82,000	80,400
East Texas			225,900	+ 200	261,450	374,450
Southwest Texas			156,150	+ 4,050	160,250	211,150
Coastal Texas			229,750	— 5,600	242,150	272 350
Total Texas	1,134,000	*c*1,174,801	1,083,800	— 13,750	1,159,300	1,403,200
North Louisiana			76,550	— 5,100	79,950	70,000
Coastal Louisiana			248,600	— 6,750	248,800	238,300
Total Louisiana	313,000	338,466	325,150	— 11,850	328,750	308,300
Arkansas	74,000	73,685	73,450	— 100	74,850	71,600
Mississippi	49,800		*b*96,350	— 2,700	97,050	22,750
Illinois	354,400		294,850	— 4,550	306,500	329,050
Indiana	18,200		*b*21,350	+ 3,000	19,300	19,450
Eastern (not incl. Ill. & Ind.)	102,600		93,250	— 3,600	99,800	92,400
Michigan	60,200		59,200	+ 2,350	53,300	37,400
Wyoming	88,900		93,800	+ 1,500	91,600	79,550
Montana	23,700		21,600	------	21,550	19,400
Colorado	6,900		4,900	+ 50	5,100	3.850
New Mexico	86,000	86,000	79,200	— 50	83,350	108 550
Total East of Calif.	3,007,000		2,905,600	— 9,800	2,980,100	3,133,350
California	659,800	*d*659,800	639,400	+ 11,400	601,550	619,300
Total United States	3,666,800		3,545,100	+ 1,600	3,581,650	3,752,650

a Beginning with April the O.P.C. recommendations represent the production of all petroleum liquids, including crude oil, condensate and natural gas derivatives recovered from oil, condensate and gas fields. Formerly the recommended rates were for crude oil only. State allowables are also calculated on the same basis beginning with April It may be that certain wells will be found incapable of producing the allowables granted. Actual State production may, for this reason, prove to be less than the allowables. The Bureau of Mines reported the daily average production of natural gasoline in January, 1942, in barrels as follows: Oklahoma, 29,000; Kansas, 6,000 Texas, 114,000; Louisiana, 21,000; Arkansas, 2,000; California, 43,000; other States including New Mexico, 26,000.

b Okla., Kans., Neb., Miss., Ind. figures are for week ended 7 a. m. April 15.

c This is the net basic 30-day allowable as of April 1, but experience indicates that it will increase as new wells are completed, and if any upward revisions are made With a few exceptions, notably Panhandle (shut down 10 days) and aviation grade fields (nine days) the entire State was ordered shut down on April 3, 4, 5, 6, 10, 11 12 13, 17, 18, 19, 20, 24, 25, 26, 27, 29 and 30.

d Rcommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE AND GAS AND FUEL OIL, WEEK ENDED APRIL 18, 1942

(Figures in Thousands of Barrels of 42 Gallons Each)

	Daily Refining Capacity		Crude Runs to Stills		Figures in this section include reported totals plus an estimate of unreported amounts and are therefore on a Bureau of Mines basis			
	Potential Rate	% Reporting	Daily Average	% Operated	Gasoline Production at Refineries Includ. Natural Blended	Stocks Finished and Unfinished Gasoline	*e*Stocks of Gas Oil and Distillate Fuels	*e*Stocks of Residual Fuel Oil
*Combin'd: East Coast, Texas Gulf, Louisiana Gulf, North Louisiana - Arkansas and Inland Texas	2,383	89.7	1,697	71.2	5,106	46,741	14,245	17,007
Appalachian	174	84.5	158	90.8	479	3,981	359	676
Ind., Ill., Ky.	784	84.9	699	89.2	2,396	22,723	2,475	3,507
Okla., Kansas, Mo.	418	81.1	365	87.3	1,311	10,245	797	1,712
Rocky Mountain	138	50.7	92	66.7	283	2,497	277	598
California	787	90.9	537	68.2	1,430	17,315	11,776	59,077
Tot. U. S. B. of M. basis April 18, 1942	4,684	86.9	3,548	75.7	11,005	*a*103,502	29,929	82,577
Tot. U. S. B. of M. basis April 11, 1942	4,684	86.9	3,518	75.1	10,734	104,580	30,602	82,526
U. S. Bur. of Mines basis April 19, 1941			3,735		12,359	97,377	29,680	93,499

a Finished, 95,439,000 barrels; unfinished, 8,063,000 barrels. *e* At refineries, at bulk terminals, in transit and in pipe lines.

*The Office of the Petroleum Coordinator has requested the American Petroleum Institute, for the time being, to refrain from indicating separately the refinery activity and product inventories for the East Coast, Texas Gulf Coast, Louisiana Gulf Coast, North Louisiana-Arkansas and Inland Texas Bureau of Mines' refining districts. These five districts have therefore been combined into one group, the other Bureau of Mines' districts continuing to be shown separately, at least until further notice.

Class I Net Railway Operating Income In January Up 11% From Year Ago

The Bureau of Statistics of the Interstate Commerce Commission has issued a statement showing the aggregate totals of selected income and balance sheet items for Class I steam railways in the United States for the month of January, 1942 and 1941.

These figures are subject to revision and were compiled from 132 reports representing 136 steam railways. The present statement excludes returns for Class A switching and terminal companies. The report is as follows:

	All Class I Railways For the Month of January 1942	1941
Income Items—	$	$
Net railway operating income	68,966,382	62,017,435
Other income	12,552,610	12,399,532
Total income	81,518,992	74,416,967
Miscellaneous deductions from income	2,487,406	2,432,776
Income available for fixed charges	79,031,586	71,934,191
Fixed charges:		
Rent for leased roads and equipment	13,584,399	12,266,506
*Interest deductions	37,119,092	38,643,318
Other deductions	117,174	120,677
Total fixed charges	50,820,665	51,030,501
Income after fixed charges	28,210,921	20,953,690
Contingent charges	2,080,550	1,524,927
†Net income	26,130,371	19,428,763
Depreciation (way and structures and equipment)	17,752,692	17,680,964
Amortization of defense projects	3,861,700	------
Federal income taxes	17,583,294	7,188,738
Dividend appropriations:		
On common stock	2,360,000	4,862,649
On preferred stock	536,436	536,436
Ratio of income to fixed charges	1.56	1.41

*Represents accruals, including the amount in default. †For railways not in eceivership or trusteeship the net income was as follows: January, 1942, $25,006,712 anuary, $52,564,089. ¶For railways in receivership and trusteeship the ratio was as follows: January, 1942, 1.15; January, 1941, 0.81.

	All Class I Railways Balance at End of January 1942	1941	Class I Railways Not in Receivership or Trusteeship Balance at End of January 1942	1941
Selected Asset Items—				
Investments in stocks, bonds, etc., other than those of affiliated companies	$466,588,286	$559,914,418	$449,892,396	$509,406,943
Cash	$711,275,256	$650,521,071	$527,958,812	$515,571,583
Temporary cash investments	135,679,382	73,318,514	127,563,019	67,709,257
Special deposits	202,182,302	96,394,155	160,325,635	81,363,587
Loans and bills receivable	1,200,844	1,652,297	1,021,578	1,272,574
Traffic and car-service balances (Dr.)	29,609,347	28,360,578	26,263,569	26,255,034
Net balance receivable from agents and conductors	86,660,053	54,145,071	72,361,406	43,784,391
Miscellaneous accounts receivable	217,887,153	134,384,066	173,722,127	107,415,170
Materials and supplies	481,475,209	343,120,431	389,002,406	275,599,929
Interest and dividends receivable	14,018,438	12,471,771	12,388,012	10,212,474
Rents receivable	1,058,366	1,190,677	705,608	883,695
Other current assets	22,225,610	5,709,414	20,995,932	4,543,454
Total current assets	$1,903,271,960	$1,401,268,045	$1,512,308,104	$1,134,611,142
Selected Liability Items—				
‡Funded debt maturing within six months	$110,964,543	$103,731,819	$94,228,621	$78,335,768
§Loans and bills payable	57,264,515	81,890,420	3,764,750	25,824,396
Traffic and car-service balances (Cr.)	56,010,575	46,318,890	40,505,324	33,249,291
Audited accounts and wages payable	297,090,697	233,547,400	240,131,807	188,400,490
Miscellaneous accounts payable	53,862,872	47,535,871	39,393,030	36,674,310
Interest matured unpaid	56,982,231	36,423,975	51,526,304	32,163,413
Dividends matured unpaid	5,612,405	4,909,057	5.260,142	4,556 657
Unmatured interest accrued	79,389,547	79,097,181	67,571,956	62,108,568
Unmatured dividends declared	8,432,331	4,312,816	8,432,331	4,312,816
Unmatured rents accrued	17,871,959	18,347,510	16,006,729	16,596,473
Accrued tax liability	384,237,429	233,458,413	344,248,412	200,543,654
Other current liabilities	53,631,295	37,813,807	40,878,791	28,125,289
Total current liabilities	$1,070,385,856	$823,655,340	$857,719,576	$632,555,356
Analysis of accrued tax liability:				
U. S. Government taxes	$270,935,343	$126,094,851	$253,102,272	$115,188,358
Other than U. S. Government taxes	113,302,086	107,363,562	91,146,140	85,355,296

‡Includes payments of principal of long-term debt (other than long-term debt in default) which will become due within six months after close of month of report §Includes obligations which mature not more than two years after date of issue.

Weekly Statistics Of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period	*Orders Received Tons*	*Production Tons*	*Unfilled Orders Remaining Tons*	*Percent of Activity* *Current*	*Cumulative*
1942—Week Ended—					
Jan. 3	147,419	140,263	530,549	86	88
Jan. 10	162,493	166,095	527,514	101	--
Jan. 17	167,846	165,360	525,088	102	102
Jan. 24	161,713	169,735	514,622	101	102
Jan. 31	181,070	167,040	528,698	101	102
Feb. 7	162,894	168,424	522,320	101	102
Feb. 14	156,745	167,424	510,542	101	102
Feb. 21	157,563	165,240	496,272	102	102
Feb. 28	163,067	164,601	493,947	100	102
Mar. 7	177,823	165,081	505,233	101	101
Mar. 14	140,125	166,130	476,182	100	101
Mar. 21	157,908	169,444	465,439	101	101
Mar. 28	144,061	168,394	442,556	100	101
Apr. 4	161,888	169,249	436,029	100	101
Apr. 11	145,000	153,269	428,322	93	101
Apr. 18	129,834	153,442	404,199	94	101

Note—Unfilled orders of the prior week plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled stock, and other items made necessary adjustments of unfilled orders.

Lumber Movement—Week Ended April 18, 1942

Lumber production during the week ended April 18, 1942, was 2% less than the previous week, shipments were 1% greater, new business 4% less, according to reports to the National Lumber Manufacturers Association from regional associations covering the operations of representative hardwood and softwood mills. Shipments were 21% above production; new orders 49% above production. Compared with the corresponding week of 1941, production was 7% less, shipments 10% greater, and new business 39% greater. The industry stood at 127% of the average of production in the corresponding week of 1935-39 and 149% of average 1935-39 shipments in the same week.

Year-to-Date Comparisons

Reported production for the first 15 weeks of 1942 was 4% below corresponding weeks of 1941; shipments were 4% above the shipments, and new orders 10% above the orders of the 1941 period. For the 15 weeks of 1942, new business was 28% above production, and shipments were 15% above production.

Supply and Demand Comparisons

The ratio of unfilled orders to gross stocks was 56% on April 18, 1942, compared with 38% a year ago. Unfilled orders were 28% greater than a year ago; gross stocks were 14% less.

Softwoods and Hardwoods

Record for the current week ended April 18, 1942, for the corresponding week a year ago, and for the previous week, follows in thousand board feet:

SOFTWOODS AND HARDWOODS

	1942 Week	1941 Week	1942 Previous Wk. (rev.)
Mills	470	470	476
Production	233,328	250,986	238,435
Shipments	281,789	255,212	278,632
Orders	348,638	250,628	362,770

	Softwoods 1942 Week		Hardwoods 1942 Week	
Mills	379		105	
Production	220,140	—100%	13,188	—100%
Shipments	268,711	122	13,078	99
Orders	336,359	153	12,279	93

Sugar Rationing May 5

The Office of Price Administration announced on April 22 that the Nation's sugar rationing program begins on May 5 for household consumers. Retail sugar sales were halted on April 27 and will remain frozen until May 5.

Industrial and institutional users, as well as retailers and wholesalers, registered at high schools throughout the country on April 28 and 29, while individual and family unit consumers will register and obtain their ration books in elementary schools from May 4 through May 7.

Under the rationing program, restaurants and other food services will be able to obtain 50% of the amount of sugar used during the corresponding month last year, while bakers, manufacturers of confectionery, ice cream, dairy products, preserves, bottled beverages, desserts and other specialties will be entitled to an allotment of 70% of past use.

The first four stamps in household consumers ration books entitles them to buy one pound of sugar, covering a fixed period of time. The first stamp will be valid from May 5 to May 16.

Previous reference to sugar rationing appeared in these columns April 23, page 1634.

Health Ins. Convention

At a committee meeting held on April 8, Detroit Accident and Health insurance men made extensive plans for a large attendance at the National Accident and Health Association Sales Congress to be held June 29, 30 and July 1 at the Statler Hotel in Detroit, Mich. The Detroit Accident and Health Association is host for the occasion.

Items About Banks, Trust Companies

Eugene W. Stetson, President Guaranty Trust Company of New York, announced on April 24 the appointments of Alfred R. Thomas of Pasadena, and Joseph W. Simpson, Jr., of Milwaukee, Wis., as Second Vice-Presidents. Mr. Thomas resigned as Executive Vice-President of the First Trust & Savings Bank, Pasadena, late in 1941, and was placed in charge of the Priorities Division of the War Production Board for the Southern California area. Prior to joining the staff of the First Trust & Savings Bank, he engaged in the investment banking business in Pasadena where he was associated successively with Blyth & Co. and Chase Securities Co. He was graduated from Cornell University in 1923 with the degree of Mechanical Engineer. He is a past President of the California Bankers Association and has been for some time President of the Sunny Hills Ranch, Inc., at Fullerton, Calif. It is expected that Mr. Thomas will take up his duties in the Banking Department of the Guaranty Trust Company of New York about the first of July.

Following his graduation from Yale University in 1926, Mr. Simpson entered the employ of the First-Wisconsin National Bank in Milwaukee. Successive advances brought him to the position he now occupies as Vice-President in charge of that institution's Credit Department. Mr. Simpson has been active in the national organization of the Robert Morris Associates, of which he is now Second Vice-President. Mr. Simpson expects to joint the Banking Department of the Guaranty Trust Company of New York on June 1.

William Bader, Vice-President of Central Savings Bank of New York, and since October, 1928, head of its downtown office at 14th Street and Fourth Avenue, will retire on May 1, after 48 years of service, the bank announced on April 27. Mr. Bader entered the employ of the bank in 1894 as a page. He was elected to his first officership, as Assistant Cashier, in 1924, and became Assistant Vice-President three years later. In October, 1928, he was elected Vice-President. Mr. Bader's fellow officers of Central Savings Bank gave him a testimonial dinner on April 28.

A new office of Central Hanover Bank & Trust Company of New York was opened in Rockefeller Center on April 27 with John J. Radley, Jr., Vice-President, in charge. This office, which is located at the Rockefeller Plaza and 50th Street corner of the RCA Building, replaces the bank's branch formerly at 2 West 49th Street. The bank's new space is considerably larger than at its former location, and the move to Rockefeller Center will mean increased banking and trust facilities for Central Hanover customers in this district.

Alfred L. Aiken, Chairman of the Board of the New York Life Insurance Co., was elected a Director of the Fifth Avenue Bank of New York at a Board meeting held on April 22. Mr. Aiken, formerly Governor of the Federal Reserve Bank of Boston and President of the National Shawmut Bank of Boston, is also a Trustee of the Franklin Savings Bank, New York City.

The Public National Bank and Trust Company of New York, announced on April 23 that the following promotions have been made at the Broadway and 24th Street office: Joseph Singer, Assistant Vice-President, advanced to Vice-President, and Louis Katzman, Assistant Cashier, advanced to Assistant Vice-President.

The Bank of London & South America Limited has taken possession of its new quarters in the 70-story Forty Wall Street Building, New York, it was announced on April 23 by Charles R. Hinerman, Vice-President of the Charles F. Noyes Co., Inc., agent for the property, which arranged the leasing transaction. More than 12,000 square feet of modern ground floor space running through from Wall Street to the Pine Street section of the building and 1500 square feet in the basement will house the New York agency of the bank, which represents an amalgamation of all the British banks which are operating throughout the Central and South American republics. It is of interest to note that the Bank of London & South America Limited has been actively associated with Latin America financial affairs for 80 years. Its present name was assumed in 1923, when the London & River Plate Bank, Ltd., and the London and Brazilian Bank, Ltd., both established in 1862, were merged after more than 60 years of independent operation. From this week's announcement, we also quote:

> In 1936, the Anglo-South American Bank, Ltd., established in 1888, and its subsidiary, the British Bank of South America, Ltd., were acquired. The bank now has 79 branches in 17 countries, including the United States, England, Argentina, Brazil, Chile, Colombia, Ecuador, Guatemala, Nicaragua, Paraguay, Peru, El Salvador, Uruguay, Venezuela, Spain, Portugal and France, representing a coverage of Central and South America provided by no other banking institution.
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> Its total resources amounted, in the latest balance sheet, to the equivalent of nearly $300,000,000 at current rates of exchange.
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> The New York agency, just removed from 55 Cedar Street to 40 Wall Street, was established in 1886 and its principal activities have been devoted to the development of trade between the United States and Latin America. For the last 10 years, the New York agency, now comprising a staff of more than 90, has been headed by V. W. P. O'Neill, assisted by J. Mayer, sub-agent; B. T. Hart, assistant sub-agent, and T. Forman, accountant. The Chairman of the Board of Directors in London, where the head office is located, is the Rt. Hon. Lord Wardington. H. Trevor Jones is the General Manager.

President Gives WPB Right To Seize Plant Machines

It was made known on April 20 that President Roosevelt had signed an Executive Order delegating to Donald M. Nelson, Chairman of the War Production Board, his power to requisition machinery and tools now in use in industrial plants for war production. The President received this authority under the Second War Powers Act, enacted on March 28 (see issue of April 2, page 1338) and delegated the power to the WPB.

Requisitioning action, it is stated, may be initiated by several agencies after such proposals are submitted to the WPB. These include the Treasury, War, Navy and Agriculture Departments, Maritime Commission, Board of Economic Warfare, and such other agencies as might be designated by the President from time to time.

ABA Favors Payroll Deductions For War Bonds As Means Of Financing War & Curbing Inflation

Orderly financing of the war is a responsibility which the banker shares with the Government, it was asserted in a report of the Economic Policy Commission of the American Bankers Association presented to the Executive Council of the Association on April 22 at its annual Spring meeting at French Lick Springs, Ind. "Wars are not won by armies and production alone," the report said. "They are fought also in the area of finance, for bad finance may mean inflation and disorder which in their turn delay production at vital points, where a week's or even a day's difference in deliveries of guns and ships might lose a battle or a campaign.

The Commission, which speaks for the ABA on economic questions, consists of representative bankers from various sections of the country under the Chairmanship of W. Randolph Burgess, Vice-Chairman of the Board of the National City Bank of New York.

Pointing out that the present budget program of the Treasury calls for public financing of approximately 19 billion dollars in the fiscal year 1942, and 33½ billion dollars in the fiscal year 1943, the Commission says "we can finance this vast undertaking but the choice of methods — the way it is done — will affect directly the efficiency of our war effort, the extent to which that effort disorganizes our economic and social structure and our capacity to recover prosperity after the war."

To help avoid "damaging inflation" the Commission urges that the greatest part of this sum be obtained from the current income of people which might otherwise be spent. "The great danger of inflation arises from spending power in exces of the amount of goods available to be bought," it says, "and when the Treasury taps this spending power through tax collections or through the sale of Government securities it reduces the inflationary forces. The sale of war bonds through payroll deductions does exactly this." This is cited as the first and best way of borrowing of the four methods discussed in the report.

The second source of borrowing it suggests is idle money in the hands of individuals and corporations, the third is the commercial banks. The "fourth and worst," it says, "is borrowing from the Federal Reserve System. The worst way to finance a war (short of greenbacks which are unthinkable) is by the Treasury's borrowing at the central bank, that is, the Federal Reserve bank. Witness the experience of Germany and France after the last war when borrowing at the central bank became the mechanism of inflation. "It is in the interest of the banks, the enterpriser, the worker, the farmer and every one else who suffers from the blight of inflation that every possible dollar be borrowed from the first source," it declares.

While the report emphasizes the necessity for the widest possible distribution of bonds to investors it also recognizes that the program is so huge that it will be necessary for the banks to purchase and carry substantial additional amounts of Government securities. Discussing the range of maturities suitable for banks, the Commission says the principal danger to the banks is the possibility of fluctuations in market value of the securities. To meet this problem some have suggested the issuance to the banks of only short term maturities of from one to five years, it states. The report criticizes this proposal as involving a piling up of a huge and perhaps unmanageable short-dated Treasury debt such as caused France so much grief after World War I. The report says:

> "A more realistic suggestion," it says, "would be the sale to the banks of maturities ranging from one year to about ten years. This would have the effect of spreading out Treasury maturities and would give the banks well distributed portfolios with a fair yield and some market outside the banks. With obligations up to ten years and an average maturity of less than five years the banks would not be exposed to serious fluctuations in values."

These considerations of maturity emphasize the need for financing the war on a fairly steady level of interest rates, according to the report.

From Washington

(Continued from First Page)

The question gets around to what change we really wanted him to make in the first instance and why he saw fit to permit the great build up of his pronouncement in the second place. What was the game?

It is a commentary on the message that the newspapers had difficulty in giving it a headline. In Washington throughout the day the headlines read: "President calls for a limitation of $25,000 on all salaries." In the late afternoon the old womanly Washington "Star" dug up a new thought. In its last edition the headline read:

"The President calls for sacrifices on the Home Front."

Such things as this must utterly smother Hitler. With all of his frenziedness, with all of his hysteria, he can't beat this. Bear in mind that for several days we have been reading of this momentous message that is to come from the President, the sacrifices we are going to have to make are untold. It is to be the most momentous utterance of a day of momentous days. Well, we American people, according to the editorial writers, are a people most hardy, at least hardier than any other peoples. We can take what the President has to say, we are willing to make the sacrifices he is going to prescribe.

And then he doesn't prescribe any sacrifices, he doesn't as a matter of real fact, say anything.

What prompted him then to deliver the message?

That is what I have been trying to find out. The best I can get is that the "heat" was on him. It is a fact, too, that the "heat" has been on him. It has been the heat of agitation. It is rather an amazing thing, but true, that if Mr. Roosevelt had responded to the "heat" in this instance, this country would have been in a straight-jacket as tight as any economy in which Germany has ever lived. It is true that we would have had more material goods in which to struggle around, in this straight-jacket, than Germany but relatively we would have been worse off as citizens.

Here is what we were demanding and I use the term "we" for all of us: We were demanding that all salaries be frozen, that all wages be frozen, all prices, all profits and in addition the amount of goods which one could receive. We were demanding that we be taxed out of existence, either through straight taxes or through compulsory savings.

We were demanding, those who are vocal of us, that this be done to prevent **inflation.**

Now, I am not saying that this should not be done. What has surprised me is that 130,000,000 people have been represented in the recent agitation as demanding all these things. That is unusual. A people do not usually rise up in any such logical form as that. A people do not usually rise up and beat their breast and insist that they be compelled to make "sacrifices" such as those brought forward in this agitation. Instead, it is usually a case of having to browbeat people to make them understand what is good for them.

Well, Mr. Roosevelt has taken a sly stand against this. That is what his message means. Believe it or not, neither he nor Leon Henderson seemingly wants to push us into the totalitarian state which we, insofar as the agitation expressed us, were demanding.

We sit around and say that Mr. Roosevelt wants this power and that Leon wants this power. But the fact is that the President is not now desirous of taking advantage of the excitement about "inflation;" instead he likes to refer to it as a "price rise," perhaps a dangerous "price rise," but a "price rise," nevertheless, and it is a further fact that Henderson didn't want to go in for an overall price ceiling and he still hits the ceiling when overall rationing is mentioned in his presence. So it may well be that the President attuned his message with a view to letting us get a second and soberer thought. How better to do that than place the emphasis on salaries, and secondarily, farm prices?

Workers' Hours Up 20% In Industry In Year

In the past year total man hours worked by manufacturing workers in the United States advanced 20%, their weekly earnings rose 19.4%, and payrolls increased 38.5%, according to statistics compiled by the Division of Industrial Economics of the Conference Board, New York. Hours worked per week per worker increased only 3.4%, while employment rose 16%. These figures are for the period between February, 1941, and February, 1942, the latest month for which data are available for the 25 industries regularly surveyed by the Conference Board.

The Board's announcement, issued April 29, further said:

> Workers in these industries were earning an average of $31.41 in February, 1941. Since then, their earnings rose each month except July, and reached an average of $37.49 in February, 1942. This gain in weekly earnings amounted to $6.08, or 19.4%. In terms of living costs, workers were in possession of 8.2% more purchasing power this February than they enjoyed a year earlier.
>
> Man hours of productive effort in the 25 industries are expressed in terms of index numbers, with the average for 1923 representing 100. The index of man hours worked in February, 1942, was 110.2, compared with 91.8 a year ago in February.
>
> Payrolls made the most phenomenal advance during this period, rising 50 points, or from 130.0 to 180.1 (1923=100). Since employees in these industries were working only 3.4% more hours on the average in February, 1942, these fatter payrolls were mostly attributable to higher earnings and greatly increased employment.
>
> Weekly earnings were the highest in the automobile industry, in which they rose $11.46 during the 12 months, averaging $51.92 per week in February last. Workers in the machine and machine tool industry were making $48.58, or $8.85 more per week in February, 1942. Those in the heavy equipment industry were receiving $10.31 more per week, or an average of $47.98. Electrical manufacturing workers were earning the fourth highest weekly pay, averaging $44.23. This was $8.15 more per week than they received in February, 1941.